



Australian  
National  
University



ANNUAL REPORT 2014



# The Australian National University

**Naturam primum cognoscere rerum**  
*First to learn the nature of things*

The Australian National University (ANU) was established by an Act of the Federal Parliament in 1946. Its founding mission was to be of enduring significance in the post-war life of the nation, to support the development of national unity and identity, to improve Australia's understanding of itself and its neighbours, and to contribute to economic development and social cohesion.

Today, ANU is a celebrated place of intensive research, education and policy engagement – setting the standard on issues of national and international importance.

**ANU is a:**

- > centre of unparalleled intellectual talent and research excellence
- > body of students drawn from across the nation and around the world
- > leading contributor to public policy formation and debate
- > partner to Australia's national government and parliament
- > global university that consistently ranks amongst the world's finest educational institutions.

## **Further information about ANU**

[www.anu.edu.au](http://www.anu.edu.au)

## **Annual Report available online at**

[about.anu.edu.au/about/strategic-priorities](http://about.anu.edu.au/about/strategic-priorities)

## **Course and other academic information**

Director, Division of International Operations and Student Recruitment

The Australian National University

Acton ACT 2601

T +61 2 6125 5594

## **General information**

Director, Marketing Office

The Australian National University

Acton ACT 2601

T +61 2 6125 2252

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27 March 2015

Professor the Hon Gareth Evans AC QC  
Chancellor

T +61 2 6125 2113  
F +61 2 6125 8524  
E [chancellor@anu.edu.au](mailto:chancellor@anu.edu.au)

Canberra ACT 2601 Australia  
[www.anu.edu.au](http://www.anu.edu.au)

CRICOS Provider No. 00120C

The Hon Christopher Pyne MP  
Minister for Education and Training  
Parliament House  
CANBERRA ACT 2600

Dear Minister,

**Report of the Council for the period 1 January 2014 to 31 December 2014**

We have the honour to transmit the report of the Council of The Australian National University for the period 1 January 2014 to 31 December 2014 furnished in compliance with Section 46 of the *Public Governance, Performance and Accountability Act 2013*.

Yours sincerely,

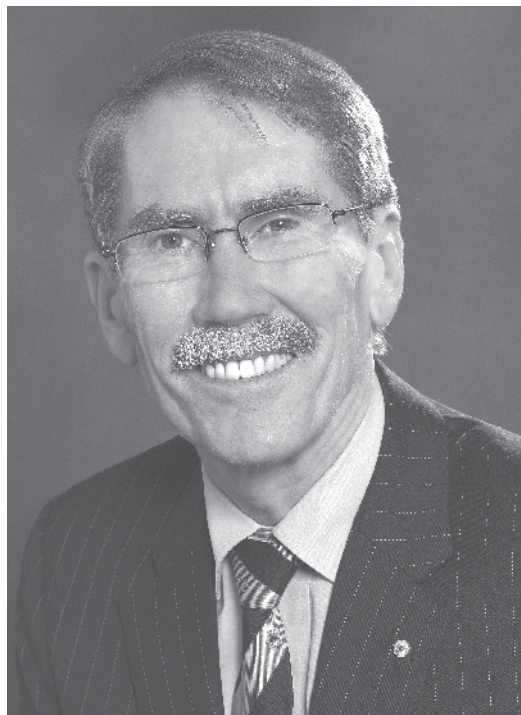


GARETH EVANS AC QC  
Chancellor



IAN YOUNG AO  
Vice-Chancellor

# VICE-CHANCELLOR'S INTRODUCTION



The *2014 Annual Report* provides an opportunity to reflect on a year of achievement for ANU. Despite obvious challenges faced by the Australian higher education system, ANU forged ahead with significant innovation of our administrative systems and processes. These reforms have led to solid improvement of the University's budget, as is reflected in this report. Whilst these reforms have been difficult, there is no doubt the University is better placed to both innovate and respond to future challenges.

The University's most important asset, our academic community, continue to achieve extraordinary things. ANU academics publish more per staff member than any other Australian university, are more likely to be awarded a Laureate Fellowship and conduct research that is 'above' or 'well above world standard' than academics at other Go8 universities. Our commitment to research-led education is stronger than ever before and the benefits of this is reflected by a 93 per cent student retention rate, one of the highest in Australia.

The student experience at ANU has never been better, with curriculum renewal at the forefront of innovation in this area. The first students studying a flexible double degree began in 2014, with 38 per cent of the total cohort of undergraduate students selecting these unique courses. We welcomed more international students, increasing international enrolments by 8.5 per cent. All academic programs met new research-led education requirements, and more ANU students ranked their experience as 'Excellent' than the Go8 average.

In acknowledgement of the incredible experiences students have whilst studying at ANU, the University has prioritised communication with graduates in 2014, communicating with more alumni than ever before. The University also increased its global reach with more than 50,000 enrolments in our edX Massive Open Online Courses (MOOCs).

In conjunction with University Council, I moved to review the current strategic plan, ANU by 2020. ANU by 2025 will contain our vision for the ANU of the future, outlining our strategy to achieve these aims. Staff, student and alumni opinion will be essential in outlining this vision. To ensure everyone is heard, I will be building on 2014 efforts to consult widely with all members of our university community.



Finally, on 4 February 2015, I announced my intention to retire at the end of my term in February 2016. I am motivated by this deadline to ensure that my agenda of development across the University is completed, including the mid-term review and ANU by 2025. I have no doubt it will be another complex year for Australian higher education. Despite this I am committed to ensuring that ANU is in the strongest possible position for the next person given the privilege to be Vice-Chancellor of this world-class institution.

I want to reiterate my pride and thanks to all staff of the University for their hard work in 2014. I also want to thank the students for choosing to study at ANU and for making our campus the vibrant and exciting community that it is.

A handwritten signature in black ink, reading "I. R. Young". The signature is fluid and cursive, with the first letters of each name being capitalized and prominent.

Professor Ian Young AO  
Vice-Chancellor and President

# 2014 SNAPSHOT

# 93%

**student retention rate, one of the highest in Australia**

# ☺ Most satisfied

**ANU student satisfaction is the highest among the Group of Eight (Go8)\***

\*Based on Overall Satisfaction percentages from the 2013 Course Experience Questionnaire (CEQ)

# 55%

**of students are enrolled at postgraduate level**

# 18

# Laureate Fellowships awarded

**– the most Laureate Fellows in Australia**

# Best

**Canberra is the best place to live in the world according to the Organisation for Economic Co-Operation and Development**

# 2,900

**students are enrolled at Higher Degree Research level (approx.)**

# 94%

of ANU research is rated  
'above world standard'  
or 'well above world  
standard' by the Australian  
Government\*

\*Australian Government's Excellence in  
Research for Australia initiative



# 5,000

students lived on  
campus in 2014 (approx.)

# 87%

of ANU academic staff  
hold a PhD degree

# 33%

of Higher Degree  
Research students at  
ANU come from overseas



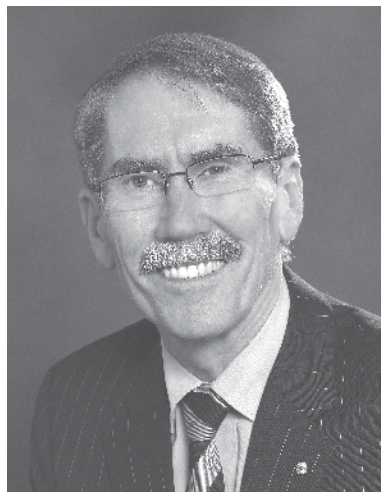
# 22,599

students

# Leader

ANU leads all other  
Australian Universities on  
the number of publications  
produced per academic  
staff member

# ANU EXECUTIVE



## Professor Ian Young AO

### **Vice-Chancellor and President**

BE(Hons) MEngSc PhD JCU, HonFIEAust, FTSE

As Vice-Chancellor, Professor Young guides the strategy and day-to-day leadership of the University. The Vice-Chancellor is also a member of the ANU Council.

Professor Young was previously Vice-Chancellor of Swinburne University of Technology for seven years (2003 to 2011). In 2014 he was elected Chair of the Group of Eight (Go8) Board of Directors. Professor Young's research interests are in coastal and ocean engineering and physical oceanography. He has a distinguished academic career, having published three books and more than 100 refereed papers. He has had sustained research support from the Australian Research Council (ARC) and has been a consultant to the US Navy and the offshore oil and gas industry in Australia, Asia and North America.



## Professor Margaret Harding

### **Deputy Vice-Chancellor (Research)**

BSc PhD DSc Syd, CChem, FRACI

Professor Harding is responsible for the development and implementation of strategies, policies and systems to maintain and enhance achievement and overall research performance of the University.

Professor Harding held the positions of Pro Vice-Chancellor (Research) at the University of New South Wales (UNSW) from 2008 to 2012 and Dean of Graduate Research at UNSW from 2005 to 2009. Professor Harding's research in biological and medicinal chemistry has resulted in more than 110 research articles and numerous awards, including the Royal Australian Chemical Institute Rennie and Biota Medals, and Australian Academy of Science Fellowships in France, the UK and the USA.



## **Professor Marnie Hughes-Warrington**

### **Deputy Vice-Chancellor (Academic)**

*BEd(Hons) Tas, DPhil Oxon*

Professor Hughes-Warrington's key aim is to make ANU a world-leader in education innovation, including strengthening local and global connections in curriculum, education commercialisation and philanthropy.

She is an active researcher, with six books and \$18 million in grants to her name. She is the Chair of the Tuckwell Scholarships Board, the Freilich Foundation Board, Deputy National Secretary of the Rhodes Scholarships for Australia and a member of the Office for Learning and Teaching's Expert Advisory Group.



## **Professor Jenny Corbett**

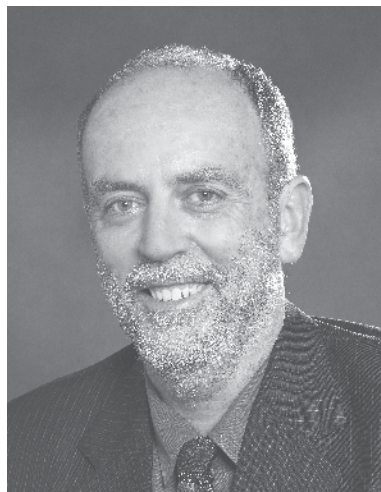
### **Pro Vice-Chancellor (Research & Research Training)**

*BA(Hons) ANU, MA Oxon, PhD Michigan*

Professor Corbett provides leadership in setting the quality, standards and policy agenda in higher degree research. She is a member of the University Research Committee, chairs the Higher Degree Research Committee and works closely with the Deputy Vice-Chancellor (Research) Professor Margaret Harding in developing the University's strategic approach to research.

Professor Corbett took up the position of Pro Vice-Chancellor (Research & Research Training) at ANU in September 2012. An economist by training, she has published widely on economic policy and developments in the Japanese economy and East Asia.

She is also a specialist on banking crises in Asia and elsewhere.



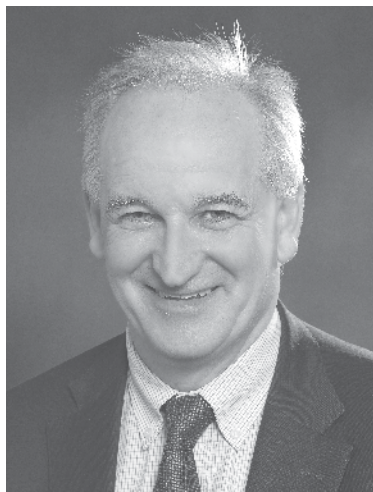
## Professor Richard Baker

### **Pro Vice-Chancellor (Student Experience)**

BA(Hons) *ANU*, PhD *Adelaide*

Professor Baker provides leadership of strategic initiatives that enhance standards of student learning and improve the quality of the student experience.

Professor Baker has a long history of educational leadership at ANU. Trained in the fields of geography and archaeology at ANU and the University of Adelaide, he has also worked at the Northern Territory Museum and the National Museum of Australia. His research has focused on issues related to Indigenous Land Management and how to effectively link teaching and research.



## Professor Michael Cardew-Hall

### **Pro Vice-Chancellor (Innovation)**

BSc(Hons) *Nott*, PhD *Imperial College*, CEng, FIMechE

Professor Cardew-Hall provides leadership of strategic initiatives to build growth in research and education outcomes through strategic partnerships with industry, government and not-for-profit organisations. He is also CEO of ANU Enterprise and former CEO of ANU Connect Ventures, a pre-seed venture capital fund associated with ANU.

Professor Cardew-Hall is a Chartered Engineer and a Fellow of the Institution of Mechanical Engineers and Institution of Engineers Australia. He was previously Head of the ANU Department of Engineering, and Deputy Dean and Acting Dean of the ANU College of Engineering and Computer Science. He has also held various positions within industry including Rolls-Royce plc.



### **Dr Erik Lithander**

#### **Pro Vice-Chancellor (International & Outreach)**

BSc (Econ) *LSE*, MPhil PhD *Cantab*

Dr Lithander provides leadership on the University's international engagement, domestic and international student recruitment, admissions, marketing, strategic communications and public affairs.

Prior to moving to Canberra, Dr Lithander was Director of International Affairs at the University College Dublin and Associate Director for International Relations at the University of Auckland. His research background is in contemporary Latin American literature and he has a particular interest in public policy issues relating to the development of higher education in the Asia-Pacific region.



### **Mr Chris Grange**

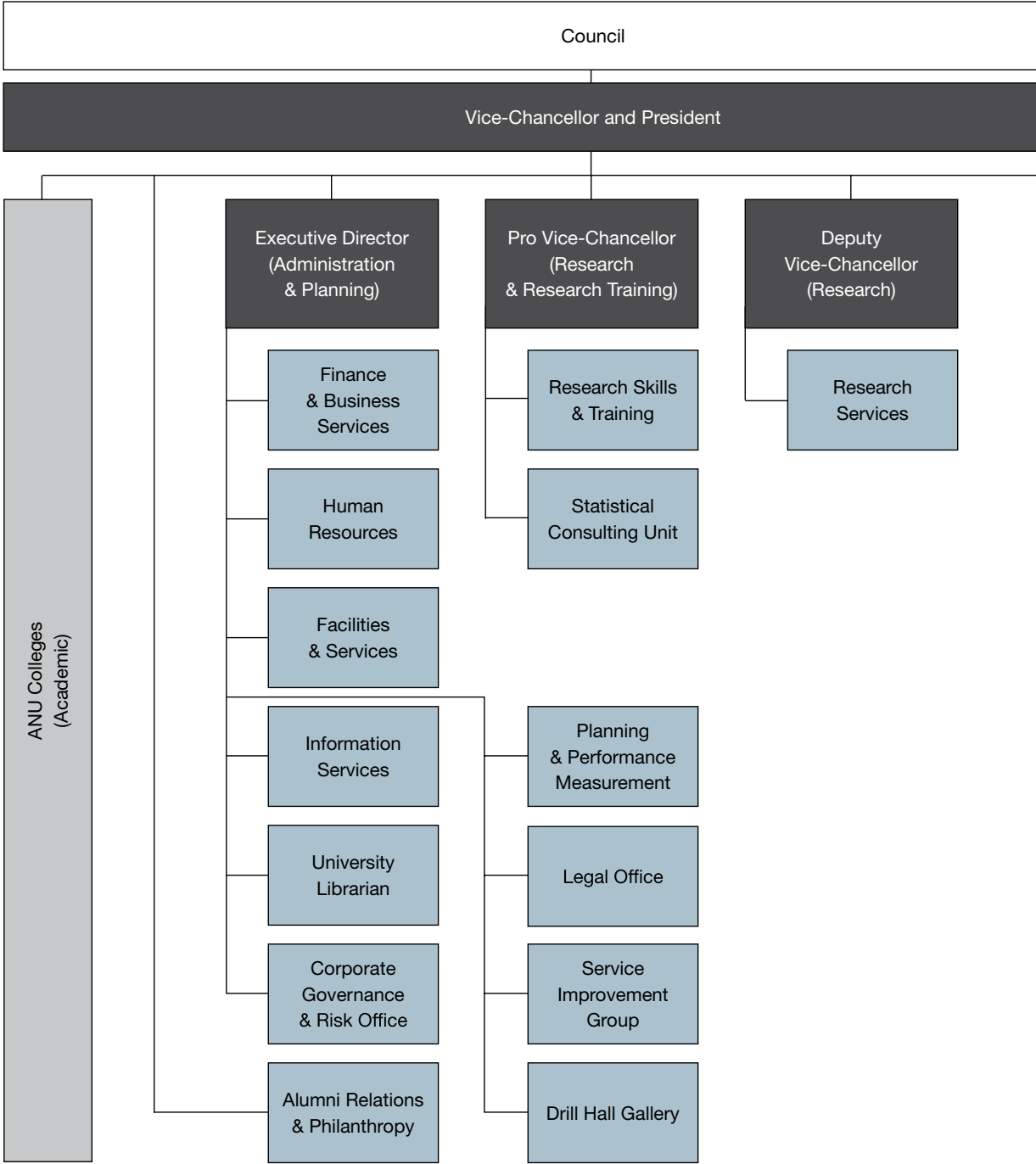
#### **Executive Director (Administration & Planning)**

BA *UNSW*, MComm *UOW*

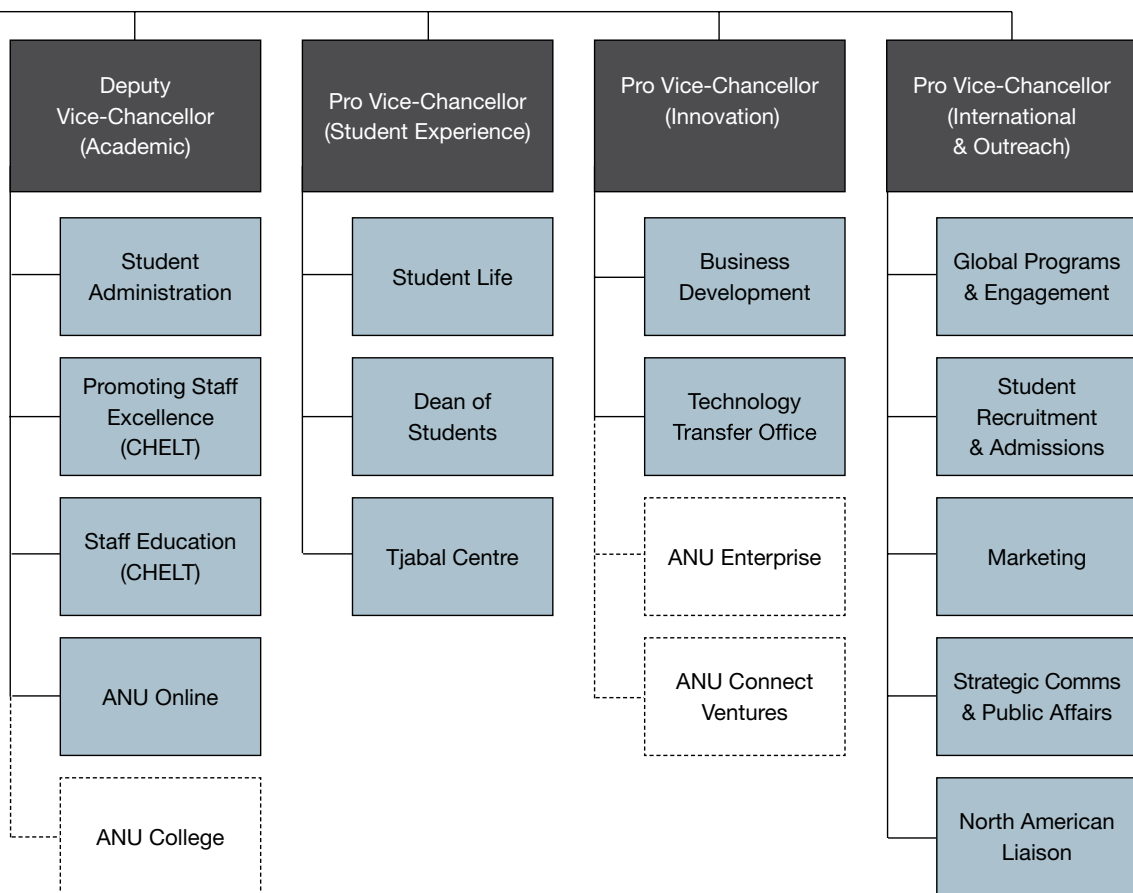
Mr Grange provides leadership to service divisions and brings a support-services perspective to strategic discussions.

Mr Grange has extensive experience in university administration, finance and human resources. Previously he was Vice-Principal (Administration) at the University of Wollongong. He is highly regarded across the university sector for his strategic approaches to administration and planning.







# UNIVERSITY ORGANISATIONAL CHART







### Key

	Academic Areas		University Executive
	Governance		University Subsidiaries
	General & Support Areas		Subsidiary Oversight

# ANNUAL RESULTS & SOURCES OF INCOME

The University's Operating Result, on a consolidated basis, as disclosed in the Annual Financial Statements, is a surplus of \$2.5 million in 2014. This compares with the reported surplus of \$25.4 million in 2013.

TABLE 1: UNDERLYING OPERATING RESULT

	Consolidated		University	
	2014 \$'000's	2013 \$'000's	2014 \$'000's	2013 \$'000's
Operating revenue	1,021,829	1,007,563	996,353	977,511
Operating expenses	1,019,304	982,189	981,721	958,113
<b>Operating result - surplus/(deficit)</b>	<b>2,525</b>	<b>25,374</b>	<b>14,632</b>	<b>19,398</b>
Adjusted for -				
Philanthropic Funds (Donations & Bequests)	(5,750)	(12,665)	(5,741)	(12,665)
Investment Funds <sup>1</sup>	(12,053)	(11,783)	(30,467)	(9,815)
Capital grants received	0	(6,828)	0	(6,828)
Restricted specific purpose funds movement	(5,684)	(3,465)	(5,684)	(3,465)
Other Items <sup>2</sup>	13,563	9,500	14,563	10,745
<b>Underlying operating result - surplus/(deficit)</b>	<b>(7,399)</b>	<b>133</b>	<b>(12,697)</b>	<b>(2,630)</b>

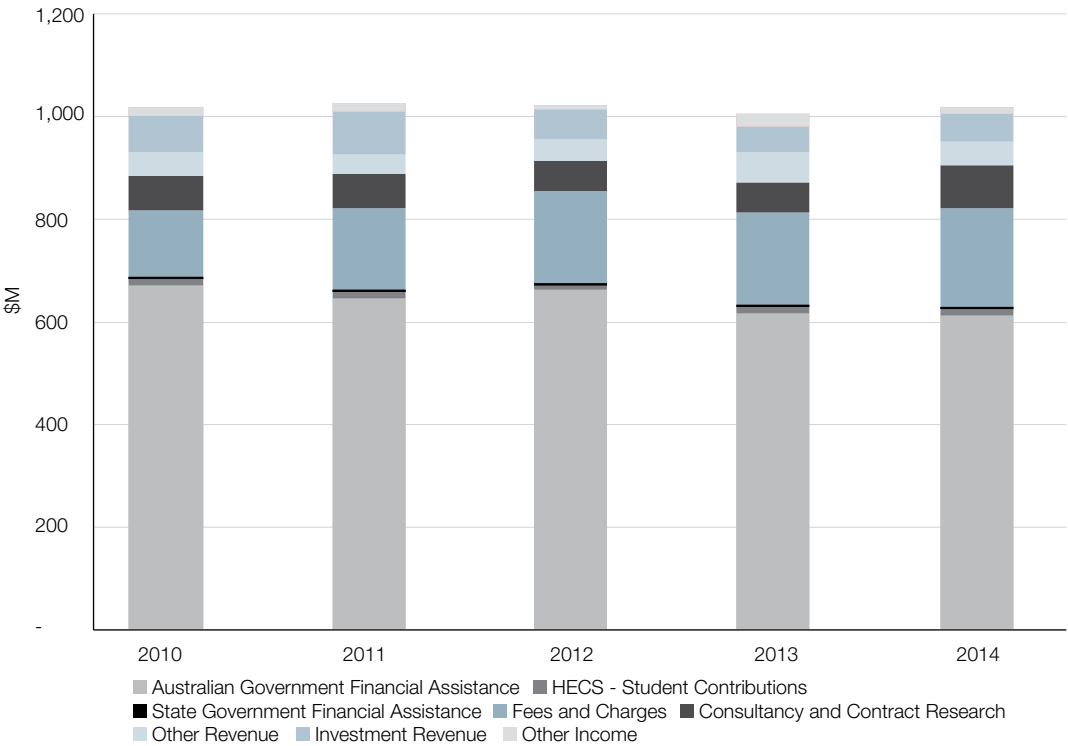
1 A portion of the University's investments, and corresponding investment income, relate to specific purpose funds and as such they are not available to fund day-to-day operations.

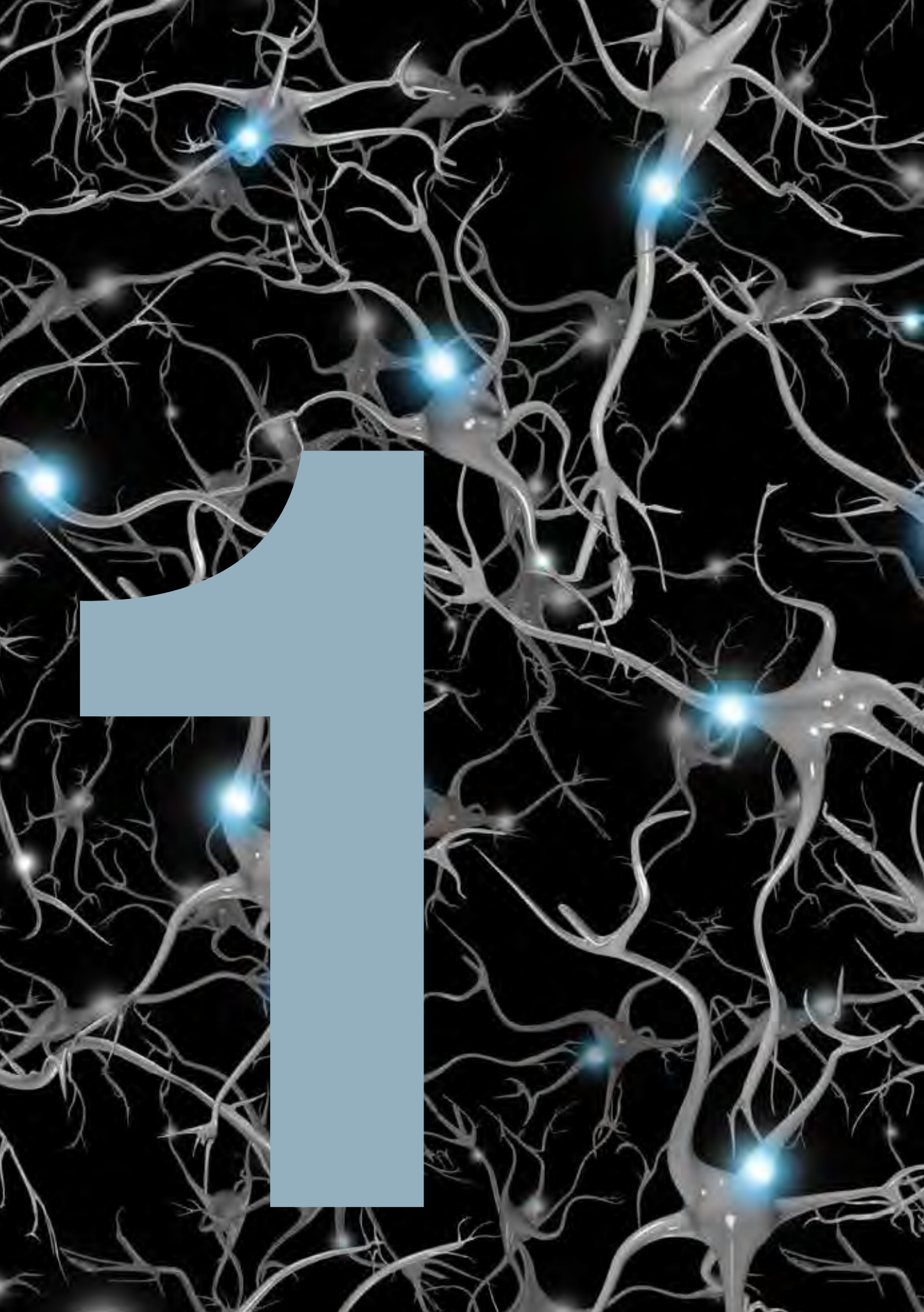
2 Recognises impact of Voluntary Early Retirement Scheme, loss on disposal of certain assets, and results from Discontinued Operations.

The University's consolidated Net Assets stand at a substantial \$2.021 billion with Financial Assets totalling \$1.203 billion.

The University's Total Income, on a consolidated basis, has increased to \$1.017 billion from \$1.006 billion in 2013. Figure 1 shows the distribution of, and changes to, sources of the University's income.

FIGURE 1: THE AUSTRALIAN NATIONAL UNIVERSITY – ANALYSIS OF INCOME (CONSOLIDATED)





# Performance in 2014

# CORE OBJECTIVES

# EXCELLENCE IN RESEARCH

Research is central to ANU, informing every activity of the University. In 2014, ANU continued to build on its outstanding international reputation through investment in high-performance research talent, culture and infrastructure. As Australia's most research-intensive university, we create and maintain world-class concentrations of excellence that are globally attractive for outstanding staff and students.

## Research of distinction & international impact

ANU remains the top-ranked Australian university in the Quacquarelli Symonds (QS) World University Rankings, re-entering the global top 25 in 2014. The QS World University Rankings by Subject place ANU as the top Australian institution and within the top 20 in the world for 14 disciplines:

- > Politics & International Studies (7th)
- > Geography (11th)
- > Linguistics (11th)
- > Environmental Studies (=12th)
- > Earth & Marine Sciences (12th)
- > Philosophy (13th)
- > Modern Languages (=14th)
- > Sociology (=14th)
- > History (15th)
- > Law & Legal Studies (15th)
- > Computer Science and Information Systems (17th)

- > Economics & Econometrics (18th)
- > Agriculture and Forestry (20th)
- > Mathematics (20th)

Many ANU researchers are the pre-eminent experts in their fields. In 2014, seven ANU researchers were elected as Fellows of the Australian Academy of Science (AAS) and two were elected to the Australian Academy of the Humanities. These awards provide independent recognition of the outstanding quality of our cohort, with ANU making up one-third of the new AAS cohort.

ANU researchers were awarded a broad range of prestigious national and international career awards and prizes in 2014, including Professor Jacqueline Lo (Chevalier of the Ordre des Palmes Académiques), Professor Jenny Corbett (Order of the Rising Sun), Dr Steve Lee (Eureka Prize), Professor Brian Schmidt AC (Breakthrough Prize), Professor Kurt Lambeck (Matthew Flinders Medal and Lecture), Professor Graham Farquhar (Macfarlane Burnet Medal and Lecture), Professor Ken Freeman (Gruber Foundation Cosmology Prize), Professor Denis Evans (David Craig Medal), Professor Alan McIntosh (Hannan Medal), Dr Scott Morrison (Christopher Heyde Medal), Professor Yuri Kivshar (A.A. Lebedev Medal), Professor Joan Beaumont (Prime Minister's Prize for Australian History) and Professor Geoffrey Brennan (Hayek Medal).

TABLE 1: SUMMARY OF ARC AND NHMRC ACTIVITY FOR 2009 TO 2013

Staff	2009	2010	2011	2012	2013
ARC grants & fellowships	529	548	548	592	587
NHMRC grants & fellowships	114	110	109	104	91
Total academic staff (FTE) <sup>1</sup>	1,477	1,507	1,558	1,616	1,634
Staff: FTE, level C+ <sup>1</sup>	800	823	853	862	880
ARC & NHMRC grants/staff (FTE, Level C+)	0.80	0.80	0.77	0.81	0.77

<sup>1</sup> Based on DIISTRE 31 March submissions.

**Note:** ARC – Australian Research Council; NHMRC – National Health and Medical Research Council; ACGR – Australian Competitive Grants Register; LIEF – Linkage Infrastructure, Equipment and Facilities (ARC Funding); EIF – Education Investment Fund; CRIS – Collaborative Research Infrastructure Scheme; NCRIS – National Collaborative Research Infrastructure Strategy.

## Space engineering facility takes off

Australian space scientists will no longer need to go offshore to build satellites, following the completion of the Advanced Instrumentation and Technology Centre (AITC) at ANU in 2014.

The AITC has the only facilities in Australia that enable the engineering of equipment right from the design stage through to being launch-pad ready.

Research School of Astronomy and Astrophysics Director Professor Matthew Colless said the AITC would provide a hub for Australia's space industry.

"Australia has many small to medium enterprises in the space industry. We want to enable them to get together to take on larger projects," he said.

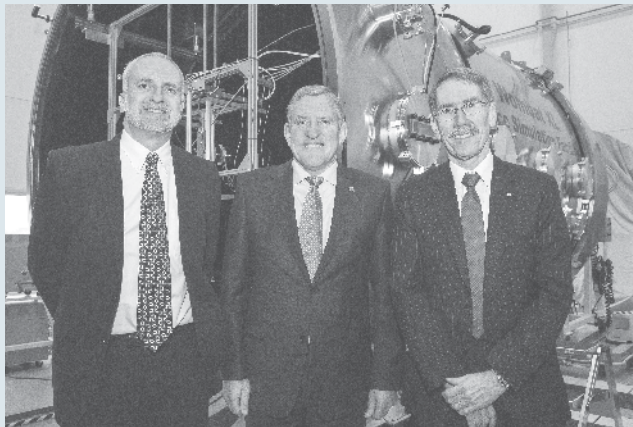
The space sector generates up to \$1.6 billion in revenue every year and employs more than 4,000 scientists, engineers, policy makers and support personnel. ANU is participating in two major contracts totalling more than \$11 million for projects at the AITC.

The first contract, worth \$5 million, is to design one of the first instruments to be installed on the Giant Magellan Telescope (GMT), the GMT Integral Field Spectrometer.

The second contract is a \$6.4 million project to develop a space junk tracking system for the Korean Astronomy and Space Science Institute. Researchers at ANU are providing technological support for industry partner EOS to build an adaptive optics system for a ground-based telescope system.

The Centre has also attracted an ARC Linkage Infrastructure, Equipment and Facilities grant that will see ANU receive an approximately one million dollar contract to build a high-resolution, ultra-stabilised, red-wavelength-optimised spectrograph that will deliver an order of magnitude improvement over current Australian facilities for the detection and characterisation of planets orbiting other stars.

Since the launch of Stage One of the Centre in 2006, the AITC has been the base for major collaborations between institutions across the world. ANU is involved with the development of a spacecraft plasma thruster system and is supporting a satellite laser ranging system for NASA, with EOS.



Professor Matthew Colless, Minister for Industry and Science, the Hon Ian Macfarlane MP and ANU Vice-Chancellor Professor Ian Young AO at the official opening of the AITC.



ANU researchers are highly research-active and produce scholarly outputs that are recognised internationally. In 2014, ANU authors were named on 17 *Nature* and 11 *Science* papers, in fields such as economics, earth sciences, biology and physics. ANU researchers also produce the highest number of research books in the Australian sector, reflective of our unique focus on humanities and the social sciences.

ANU and CSIRO joined forces in a new collaboration, The National Agricultural and Environmental Sciences Precinct, that will help build a sustainable future for the environment, agriculture and global food supplies. Announced in December 2014, the precinct will receive \$18 million in support from the Science and

Industry Endowment Fund. The 20-year vision for the collaboration is a globally significant research and innovation precinct that brings together the best experts from research, government and industry and provides transformational solutions for food security, natural resource management and the bioeconomy.

The precinct leverages nation-leading capabilities in non-medical biological and environmental sciences at both ANU and CSIRO, including the High Resolution Plant Phenomics Centre and ARC Centre of Excellence for Translational Photosynthesis, and brings together a critical mass of more than 700 researchers from ANU, the CSIRO and other partners.

## External research funding

TABLE 2: RESEARCH GRANTS AND PUBLICATIONS FOR 2009 TO 2013<sup>1</sup>

	2009	2010	2011	2012	2013
<b>RESEARCH GRANTS (\$'000)</b>					
Australian competitive grants	76,524	77,536	93,124	101,151	101,680
Other public sector research funding	27,037	119,663	87,677	92,735	119,677
Industry and other funding for research	23,691	26,810	25,974	22,247	28,821
CRC funding	658	287	493	1,093	1,301
<b>TOTAL RESEARCH GRANTS</b>	<b>127,910</b>	<b>224,296</b>	<b>207,268</b>	<b>217,226</b>	<b>251,479</b>
<b>RESEARCH PUBLICATIONS (rounded)</b>					
Books	73	84	75	90	88
Book chapters	503	457	401	454	514
Journal articles	1,788	1,883	1,885	2,058	2,176
Conference papers	400	373	415	449	368
<b>UNWEIGHTED TOTAL</b>	<b>2,763</b>	<b>2,797</b>	<b>2,777</b>	<b>3,050</b>	<b>3,146</b>
<b>WEIGHTED TOTAL<sup>2</sup></b>	<b>3,055</b>	<b>3,133</b>	<b>3,078</b>	<b>3,410</b>	<b>3,500</b>

<sup>1</sup> 2014 data not available until 30 June 2015

<sup>2</sup> Books are weighted as five and other categories as one.

**Note:** All numbers have been rounded and total numbers may vary due to rounding.

**Source:** ANU returns to DIISRTE Higher Education Research Data Collections

TABLE 3: SUMMARY OF RESEARCH &amp; RESEARCH INFRASTRUCTURE FUNDING FOR 2009 TO 2013

Research Funding	2009 (\$)	2010 (\$)	2011 (\$)	2012 (\$)	2013 (\$)
ARC	56,034,575	56,563,958	65,510,219	76,752,565	76,261,972
NHMRC	15,508,162	13,099,485	15,677,868	14,592,966	14,299,257
Other ACGR	4,981,570	7,872,409	11,935,772	9,805,820	11,118,967
Commonwealth, State and Local Government	27,037,203	119,663,146	87,677,212	92,734,771	119,677,052
Australian Industry and other <sup>1</sup>	11,244,928	12,383,909	10,505,531	8,626,122	10,760,374
International <sup>1</sup>	12,445,759	14,425,788	13,665,193	10,238,983	14,301,250
Cooperative Research Centres	657,742	287,191	493,323	1,093,044	1,301,739
LIEF/EIF/CRIS/NCRIS	20,444,764	24,035,213	12,677,410	8,488,078	8,550,801
<b>Total</b>	<b>148,354,704</b>	<b>248,331,099</b>	<b>218,142,529</b>	<b>222,332,349</b>	<b>256,271,412</b>

2014 data not available until 30 June 2015.

1 Excludes Higher Degree Research Fees

**Note:** ARC – Australian Research Council; NHMRC – National Health and Medical Research Council; ACGR – Australian Competitive Grants Register; LIEF – Linkage Infrastructure, Equipment and Facilities (ARC Funding); EIF – Education Investment Fund; CRIS – Collaborative Research Infrastructure Scheme; NCRIS – National Collaborative Research Infrastructure Strategy.

External research funding is critical to enabling excellence in research, and our researchers are highly successful in seeking competitive external funding as well as engaging government to lead public debate on important issues for the nation. Overall performance shows continued growth in scholarly output and research income, with strong growth of almost 30 per cent in research income from Public Sector sources (excluding National Competitive Grants), Industry, International and other sources in 2014.

In 2014, ANU consolidated research strengths in promoting democracy and governance in the Asia-Pacific region, securing more than \$2 million in Australian Government funding for program extensions for the Centre for Democratic Institutions and State, Society and Governance in Melanesia programs.

## ARC Laureate Fellow to delve into Pacific's deep past

Professor Matthew Spriggs from the ANU School of Archaeology and Anthropology won an Australian Laureate Fellowship, receiving \$2.4 million in Australian Research Council (ARC) funding for his research investigating the hidden history of the Pacific.

*The collective biography of archaeology in the Pacific: a hidden history*, aims to establish the history of Pacific archaeology as a new sub-discipline within world archaeology, covering the period from the speculations of early explorers to the present.

The fellowship contributes towards the University's goal to establish ANU as the world centre for the study of the history of Pacific, Southeast Asian and Australian archaeology.



Professor Matthew Spriggs

# EXCELLENCE IN EDUCATION

ANU is recognised for educational excellence that is characterised by a high-quality curriculum and leadership in developing distinctive approaches to education. This distinctiveness is expressed in three areas: double degrees; research-led education; and online education. ANU seeks to transform the understanding of these three areas by exploring and challenging the boundaries between the curriculum and the extra-curricular; between research and education; between the global, the national and the local. In so doing, the University asserts the connectedness of these activities.

Our high-quality educational experience is complemented by the provision and support of a wealth of out-of-classroom resources and opportunities intended to nurture student well-being, development and achievement. The integration of the various elements of student life produces a life-changing, distinctively ANU experience for all involved, whether they be students, academic or professional staff. ANU has performed above the average of the Group of Eight universities in the Course Experience Questionnaire (CEQ) survey in the categories of Good Teaching, Overall Satisfaction and Generic Skills.

The percentage of students who ranked the overall experience of ANU as 'Excellent' in the 2013 University Experience Survey was higher than the average of the Group of Eight.

TABLE 4: ANU COURSE EXPERIENCE QUESTIONNAIRE (CEQ) DATA; SHOWING % OF POSITIVE RESPONSES

Scale	2010	2011	2012	2013
Generic Skills	73%	75%	74%	75%
Good Teaching	64%	66%	66%	68%
Graduate Qualities	80%	81%	80%	81%
Intellectual Motivation	83%	83%	82%	83%
Overall Satisfaction	84%	86%	84%	85%

## Engaging curriculum

The renewal of the University's curriculum continued in 2014.

A review of Honours programs was undertaken, resulting in a series of recommendations to sustain the quality, ensure compliance with the Australian Qualifications Framework and streamline the management of Honours plans.

The first cohort of flexible double degree students were admitted in 2014. These degrees allow students to combine two Bachelor degrees of their choice, with the possibility of building a combination to suit both a career path and a personal passion. This approach reflects the trans-disciplinarity that is one of the University's academic strengths. Flexible double degrees are offered through three groups:

- > 4 year Arts, Social Sciences, Business, Science group
- > 5 year Law group
- > 5 year Engineering and Advanced Computing group

A total of 3,207 equivalent full-time undergraduate students, representing 38 per cent of the cohort, enrolled in flexible double degrees in 2014.

Vertical double degrees were introduced in 2013 and enable students to complete Master courses as part of their Bachelors degree and complete the two degrees in a lesser period of time than would have been the case had the degrees been undertaken consecutively.

Thirty-nine students enrolled in the three available vertical doubles in 2013; this increased to 98 full-time equivalent students in 2014.

### Teaching honour for ANU academic

Academic Dr Beth Beckmann has won a prestigious National Teaching Fellowship in recognition of her expertise in improving the quality of university teaching.

Dr Beckmann is the first person from ANU to win the Fellowship, awarded to prominent scholars in their field by the Australian Government's Office for Learning and Teaching (OLT).

Dr Beckmann, from the ANU Centre for Higher Education, Learning and Teaching, has spent 20 years promoting quality university teaching and has influenced hundreds of students and fellow academics.

"It's an honour to be the first National Teaching Fellow from ANU," Dr Beckmann said.

"I'm looking forward to contributing to professional recognition of university teachers at ANU and with colleagues around the country."

The National Teaching Fellowships, announced by The Minister for Education and Training, the Hon Christopher Pyne MP, allow leading educators to undertake strategic, high-profile activities in areas of importance to the education sector.



Dr Beth Beckmann

## Campus experience

ANU continued to further enhance the campus experience for all students in 2014. Support for the residences, student associations, learning communities and leadership programs provided a rich residential experience for on-campus students and more opportunities for engagement for off-campus students.

### Residences

Student demand to participate in Griffin Hall, the University's non-residential hall, remains strong. Griffin Hall enables students who do not live in a student residence to access the services and support provided to students in the residences. This includes access to a common room and academic and pastoral support as well the opportunity to participate in interhall sporting and cultural activities.

### Student associations

The University continued to support the two student associations, the ANU Students' Association for Undergraduate Students (ANUSA) and the Postgraduate and Research Students' Association (PARSA). These two student associations make an important contribution to the University through their advocacy on behalf of students and representing the student viewpoint in University committees and other forums, and on the ANU Council.

### Learning communities

ANU Learning Communities enable students to meet other students with common interests and to learn new skills through participation in community activities. In 2014, the decision to move the administration of Learning Communities outside the residences was made to better engage non-resident students.

### Leadership

ANU provides students with a variety of opportunities to develop leadership skills and to deepen their understanding of leadership. One

such opportunity is the undergraduate course in Leadership and Influence. In 2014 a postgraduate version of the course was developed and will be offered in 2015.

The not-for-credit Vice-Chancellor's Student Leadership program for undergraduates ran again in 2014 and will be supplemented in 2015 with a postgraduate version.

In partnership with the University of Minnesota, ANU piloted the Global Undergraduate Leaders Program in 2014. The program connected ANU undergraduate students with their peers at Minnesota to develop a community project for the people of Malawi. In early 2015, students from both universities will travel to Malawi, meet each other in person and see their community project plans come to life.

## Research-led education

The University's unique focus on research-led education was strengthened in 2013 with the new requirement for academic program information to include details of how the program contributed to research-led education. By the end of 2014 all academic programs met this requirement.

A new college-based model for the ANU Research-led Fellowship Scheme was introduced in 2014. The scheme supports the development of research-led education by ANU staff with leadership skills or potential in education. Seven Fellowships are offered each year. While Fellowships are awarded to each college, projects that reach across more than one college are encouraged.

The Bachelor of Philosophy (Honours) or PhD is a unique program that allows intellectually ambitious students to explore their interests, develop their research skills and be mentored by leading academics. A working party was established in 2014 to explore the expansion of the PhD across the University. The PhD was established in Science in 2003 with the intention of supporting and extending high-achieving students through undergraduate



## Demand for accommodation in student residences remains strong

with around \_\_\_\_\_

**3,580**

undergraduate students living in ANU-owned and affiliated residences.

this represents around \_\_\_\_\_

**35%**

of the undergraduate student population.

research experiences. The PhB was later offered in the ANU College of Arts and Social Sciences and the ANU College of Asia and the Pacific, with the ANU College of Engineering and Computer Science establishing 'Research and Development' degrees. The PhB attracts many high-achieving students. The working party considered possible university-wide structures for the PhB and strategies for enabling the University to maintain leadership in the provision of undergraduate research degrees.

TABLE 5: % OF HDR (DOCTORATE/MASTERS BY RESEARCH) LOAD TO THE TOTAL EFTSL 2010–2013

	2010	2011	2012	2013
<b>The Australian National University</b>	14%	15%	14%	14%
All Other Group of Eight universities	8%	8%	8%	8%

An important factor in the successful provision of research-led education is having academic staff who are active researchers. More than 90 per cent of ANU academic staff are highly research-active<sup>1</sup>. In the Excellence in Research for Australia exercise, 84 per cent of ANU academics were rated either above world standard or well above world standard.

## Innovative learning & teaching

ANU is committed to providing innovative learning and teaching, including the appropriate use of technology.

Driven by this commitment, ANU, in partnership with edX, delivered four Massive Open Online Courses (MOOCs) in 2014: Engaging India (11,093 enrolments); Greatest Unsolved Mysteries of the Universe (23,355 enrolments); Exoplanets (10,549 enrolments) and The Violent Universe (6,216 enrolments).

<sup>1</sup> As measured by the percentage of full-time, level B-E academic staff at least partially active in broad and specific fields of research that were assessed as being above or well above world standard in the ERA assessment.



Planning began in 2014 for a curriculum of MOOCs in 2015.

In 2014 the Hornery Institute was asked to advise on how, when and where the best learning and teaching occurs, what makes learning and teaching inspirational and joyful, and what changes ANU could make to its provision of education. In providing this advice, the Institute interviewed students, young alumni, staff and executive staff. The report provided important insights into how the University might offer more flexible learning and teaching options and guidance on future educational infrastructure investment and will preface a new draft of the ANU Education plan.

A series of three panel discussions entitled 'Blow up the lecture?' were held during 2014 to explore the future of education in an online world. Issues discussed during the series included the future of the traditional lecture, the impact of the digital world on the physical world of learning and whether some forms of learning were better suited to the computer than the classroom. Three distinguished international experts participated in the panels: Professor Anant Agarwal, President of edX and social entrepreneur; Professor Sanjay Sarma, Director of Digital Learning, Massachusetts Institute of Technology; and Professor Armando Fox, a professor in Berkeley's Electrical Engineering & Computer Science Department and the Faculty Advisor to the UC Berkeley MOOC Lab.

## Executive education & other professional programs

The Centre for Continuing Education (CCE) offers a range of professional development courses and workshops accessible to individuals wishing to gain skills and knowledge relevant to a changing and innovative workforce. In 2014, the CCE ran 37 courses through the Professional Development Program involving more than 230 enrolments and engagement with more than 74 organisations and government departments within Canberra.

In 2013-14, the Crawford School of Public Policy's Executive Education program was revamped to ensure that courses continue to respond to the needs of the Australian Public Service (APS) and incorporate key researchers in public policy at ANU. More than 1,150 participants took part in the program in 2014. (This figure does not include those who attended the program through the Australian National Internships Program). An e-learning module on 'Macroeconomics for Policymakers' was developed and delivered in 2014. The Executive Education program is now ongoing and self-funding. It continues to make substantial impacts on enhancing public policy training and professional practice for the APS.

In 2014, the National Security College (NSC) delivered 15 weeks of Executive Development programs involving 275 participants, 14 days of Professional Development programs involving 163 participants and 13.5 days of commissioned programs to meet particular agency needs involving 184 participants. NSC courses have consistent satisfaction ratings exceeding 90 per cent for participants from APS5 to SES1 level. Around 2,000 security officials have participated in NSC courses and programs since 2010 and 5,000 people have attended the public seminar program which complements them.

## Rewarding excellence in education

In 2014, it was agreed to test a defined set of education indicators for promotion to ensure that staff appraisal and promotion processes equally reward excellence in education, research and service. These indicators were used in the 2014 academic promotions round. Following the completion of the round, these indicators were reviewed and refined. Research and service indicators have been developed and will be used in the 2015 promotions round.



## Ten year-old aces ANUx Astrophysics

A 10 year-old boy passed the University's first Astrophysics MOOC, offered on the edX platform founded by Harvard and MIT.

*Greatest Unsolved Mysteries of the Universe*, taught by ANU astronomers Associate Professor Paul Francis and Professor Brian Schmidt AO, was undertaken by more than 23,000 people from 88 countries. But it was a 10 year-old boy who stood out.

Course co-presenter Dr Francis said it was incredible to have someone so young complete the unit and he was particularly impressed with the diversity of students.

"We had students from around the world with ages ranging from as young as 10 to as old as 90," Dr Francis said.

"What was really pleasing was the way they came together as an online community to bounce ideas around and discuss the course content," he said.

Dr Francis wasn't the only one who enjoyed the unit. Students used the MOOC's online forums to praise the quality of the learning experience.

"Never in a month of Sundays had I ever envisaged being able to do something like this. The fact I'm hanging in here shows how well it's put together. Thank you," one student wrote.

Another was impressed enough to consider further studies. "At the end of each subject I'm left with a hunger to learn more about the universe and seriously thinking about undertaking academic study."



Photo by Paul Francis

# EXCELLENCE AS A NATIONAL POLICY RESOURCE

Contribution to public policy is a distinctive feature of ANU, and deeply embedded in activity across the campus.

The University is at all times engaged with governments to deliver better public policy outcomes at a national and international level.

The flagship Crawford School of Public Policy is the leading postgraduate public policy school in the Asia-Pacific. Staff at the school contribute actively to solving national and global policy challenges across areas as diverse as water, food, energy, economic development, the environment and governance.

All academic colleges at ANU are engaged in public policy in some form, with the following centres contributing at a significant level: The Fenner School of Environment and Society, the Centre for Aboriginal Economic Policy Research, the Research School of Population Health, the Regulatory Institutions Network (RegNet), the Climate Change Institute, the Energy Change Institute, the National Centre for Indigenous Studies, the Centre for Arab and Islamic Studies and the Defence and Strategic Studies Centre. The University's consultancy arm, ANUEdge also contributes through contract research projects that inform policy.

## Engaging in public policy

Some of the contributions ANU has made to the development of public policy include:

- > The ANU (HC Coombs Policy Forum) and the Department of Immigration and Border Protection Collaborative Research Programme on the International Movement of People that jointly commissions, manages, integrates and assesses the findings from policy research on the international movement of people.
- > The discussion paper: *Towards a comprehensive and fully integrated stock and flow framework for carbon accounting in Australia*, produced in partnership with the Australian Bureau of Statistics, the Australian

Department of the Environment and ANU, was released in 2014. The paper was prepared to support discussions with data providers and consultations with information users around the potential for reporting Australia's carbon stocks.

- > ANU academic staff are actively involved in the 2015 Defence White Paper, with Dr Stephan Frueling on the External Panel of Experts, Professor Ian McAllister commissioned to undertake research on public attitudes toward defence spending, and a submission prepared by Dr John Blaxland.
- > ANU academic staff in the Centre for Democratic Institutions are collaborating with the Australian and Victorian Parliaments to support the reestablishment of the Fiji Parliament and the return to parliamentary democracy following the 2014 Fiji election.
- > ANUpoll produced three polls in 2014 exploring Australian attitudes to foreign policy, governance and democracy, and public priorities for government expenditure.

## Investing in academic staff in the field of public policy

The ANU Public Policy Fellows Program builds and strengthens the engagement and relationships between public policy-engaged researchers and the public service. The program is supported by The Australian National Institute of Public Policy at the Crawford School of Public Policy.

Launched in April 2012, the program now has 63 Fellows. The group is made up of 32 ANU academic staff from across all academic colleges, 28 members of the Australian Public Service (including 11 current Departmental Secretaries) and three ANU Emeritus staff members. The Fellows have been selected for their significant contributions to public policy and public understanding in environment, health, finance and economics, defence, Indigenous affairs, population and international law.

The program significantly enhances the University's public policy development role by providing a mechanism for strengthening the links between relevant expertise in all parts of the University and government.

Seven new Fellows were appointed in 2014, including two of the country's top senior public servants: then Department of Prime Minister and Cabinet Secretary, Dr Ian Watt AO; and Rod Sims, Chairman of the Australian Competition

and Consumer Commission. They were joined by ANU appointees: International Relations Professor, Lorraine Elliott; Climate Change Institute Director, the late Professor Mike Raupach; Politics and International Relations Professor, Marian Sawer AO; Associate Professor Karen Hussey from the Fenner School of Environment and Society; and Associate Professor Frank Jotzo from the Crawford School of Public Policy.

### **International expert leads ANU Tax Institute**

Leading international expert on tax law and policy, Professor Miranda Stewart, joined ANU as Director of the Tax and Transfer Policy Institute in early 2014.

Professor Stewart is a professor of law with more than 20 years' experience working at the leading edge of policy research, design and development. She joined ANU from the University of Melbourne, where she was a Director of Tax Studies for many years.

She has previously worked at New York University School of Law in the United States, in major Australian law firms advising business on tax law, and at the Australian Taxation Office advising on business tax law and policy and has consulted for government on various tax and transfer policy issues.

Professor Stewart said she was looking forward to leading the development of the Institute at a crucial point in the nation's history.

"Australia has recently enjoyed two decades of sustained strong growth, but the future is far less certain. In tightening economic times, it's essential to remember that our tax and transfer system is a public good for the benefit of all Australians and it's important to get it right," she said.

Professor Stewart's research addresses a broad range of tax and transfer law and policy issues with a focus on tax justice, tax reform to support sustainable business investment, and the operation of tax systems in a global context. Professor Stewart has collaborated on ARC-funded projects into the taxation and regulation of not for profits and the role of tax in Indigenous economic development.

The Tax and Transfer Policy Institute – based at the ANU Crawford School of Public Policy – was announced in the 2013 Federal Budget with an initial \$3 million endowment and supporting cash and on-going funding from ANU.

## Educational programs in public policy

More than 100 public policy relevant courses are available across the University for undergraduate and postgraduate students.

The ANU College of Arts and Social Sciences is home to the Australian National Internships Program, which gives Australian and international undergraduate and postgraduate students the opportunity to work at the heart of Australian policy and politics. In 2014, 88 students undertook 13-week research orientated internships in the Australian Parliament, public service departments and non-governmental organisations.

The Crawford School of Public policy enrolled 537 new coursework students in 2014 and 417 continuing coursework students.

Public policy focused executive education delivered by the Crawford School of Public Policy recorded 1,356 participants in Autumn and Spring 2014.

ANU is confident of Higher Degree by Research (HDR) growth in key public policy areas. Commencing HDR enrolments in the Crawford School of Public Policy grew from 22 in 2011 to 35 to date in 2014. HDR enrolments in the Research School of Population Health jumped from 12 in 2011 to 32 in 2014. The growth in these areas is higher than the ANU average HDR commencement growth over this period.

## Global leaders gather at Crawford Australian Leadership Forum

Experts from around the world came together at ANU in 2014 to discuss some of the most pressing issues facing the international community, including the rise of China and the role of the United States in the Asia Pacific region.

Speakers included: Former US Assistant Secretary of State for East Asian and Pacific Affairs Kurt Campbell; China's leading international relations scholar Professor Wu Xinbo; The Honourable Julie Bishop MP, Minister for Foreign Affairs and Deputy Leader of the Liberal Party; ANU Chancellor and former Australian Foreign Minister Gareth Evans AC QC; Chairman of Caltex Australia, Elizabeth Bryan along with ANU academics.

The two-day Crawford Australia Leadership Forum was designed to promote discussion and debate about pressing economic, political and international issues.

The theme of the 2014 conference was global realities, domestic choices.



The Honourable Malcolm Turnbull MP, Minister for Communications

# **BUILDING BLOCKS**



# WORLD-CLASS STAFF

The excellence, commitment and diversity of our staff are fundamental to the successful delivery of the *ANU by 2020* strategic objectives.

2014 saw a continuation of efforts aimed at ensuring the attraction, development and retention of world-class academic staff, supported by highly-skilled and dedicated professional staff.

The University focused staffing initiatives towards:

- > academic staff renewal programs aimed at attracting high-potential early and mid-career academics
- > professional staff career development through the implementation of a professional staff scholarship scheme and through

a professional staff mobility program encouraging recruiting managers to provide career advancement opportunities to current staff, and

- > business transformation projects.

During the first months of 2014, the implementation of the new ANU Enterprise Agreement 2013–2016 (ANU EA) was undertaken. This included the establishment of a Professional Staff Scholarship Scheme, the inclusion of domestic violence leave provisions into existing relevant policies and procedures, the strengthening of provisions for the management of change, leave liabilities, probation and employee performance.

TABLE 6: STAFF PROFILE BY ANU COLLEGE/AREA AND GENDER FOR 2014<sup>1</sup>

ANU COLLEGE/AREA	ACADEMIC		PROFESSIONAL		TOTAL
	FEMALE	MALE	FEMALE	MALE	
<b>COLLEGE</b>					
ANU College of Arts and Social Sciences	131	131	104	48	414
ANU College of Asia and the Pacific	126	176	159	54	515
ANU College of Business and Economics	47	85	41	16	189
ANU College of Engineering and Computer Science	15	87	33	44	179
ANU College of Law	44	53	47	12	156
ANU College of Medicine, Biology and Environment	193	227	225	137	782
ANU College of Physical and Mathematical Sciences	76	303	88	194	661
ANU Joint Colleges of Science	1	5	22	14	42
<b>TOTAL COLLEGE</b>	<b>633</b>	<b>1,067</b>	<b>719</b>	<b>519</b>	<b>2,938</b>
<b>NON-COLLEGE</b>					
ANU Service Units	9	4	560	427	1,000
Other Areas	8	5	47	53	113
<b>TOTAL NON-COLLEGE</b>	<b>17</b>	<b>9</b>	<b>607</b>	<b>480</b>	<b>1,113</b>
<b>TOTAL</b>	<b>650</b>	<b>1,076</b>	<b>1,326</b>	<b>999</b>	<b>4,051</b>

<sup>1</sup> Source: ANU HR management system. Data reflects headcount.

The number of full- and part-time employees covered by the ANU EA, as at 31 March 2014, was 4,051 staff, i.e. 1,726 academic staff and 2,325 professional staff. In addition, the University employs a number of casual staff who are also covered by the Agreement. The University is continuing efforts to align its staffing structure to better support and facilitate the advancement of ANU goals in research and education.

The base salary ranges effective from 3 July 2014 for full- and part-time staff, as per the ANU EA, were:

- > academic staff: \$64,386 (Level A) – \$169,522 (Level E)
- > professional staff: \$39,701 (ANU Officer Level 1) – \$150,517 (Senior Manager Level 5).

*Note:* Casual staff receive a 25 per cent loading on the hourly rates.

A range of non-salary benefits are provided to full- and part-time University staff, including, but not limited to:

- > flexible working arrangements, including flexible hours of work, compressed working weeks, time off in lieu, part time work, job sharing and telecommuting
- > support for professional development, including study leave and support for primary carers to participate in professional development activities
- > employer-funded paid parental leave for primary carers, totalling 20 weeks
- > employer-funded parental leave for secondary carers, totalling 10 working days
- > career re-entry assistance of six weeks additional leave for primary carers returning from parental leave
- > access to purchase additional annual leave or cash-out leave in case of financial hardship
- > salary-sacrificing options

- > access to corporate health cover through BUPA
- > Adviser to Staff and an Employee Assistance Program.

ANU continued to participate in the Australian Higher Education Industrial Association (AHEIA) yearly HR Benchmarking exercise. The report provided by AHEIA reflected ANU as the Group of Eight (Go8) University with the highest ratio of academic staff holding a doctoral qualification. Another area of positive results is represented by the Indigenous staffing profile, with the ANU Indigenous participation ratio being above the Go8 average. The report also highlighted areas which will inform strategic workforce planning initiatives in 2015 and moving forward, such as the academic to professional staff ratio and the female participation ratio.

TABLE 7: ACADEMIC STAFF HOLDING DOCTORATES FOR 2012–2014 (% OF TOTAL ACADEMIC STAFF HOLDING DOCTORATES)

	2012	2013	2014
<b>The Australian National University</b>	83	86	87
All Other Group of Eight universities	68	69	74
All Australian universities	65	68	69

*Source:* ANU HR management system and the Department of Education and Training staff data collection for 2014.



## Recruiting & attracting outstanding academic staff to areas of strategic importance

Academic appointments of world leaders in their respective disciplines continued to be made in 2014, through the Vice-Chancellor's strategic appointments initiative.

Appointments made through the Vice-Chancellor's strategic appointments initiative complemented existing research strengths and created greater critical mass and leadership in key discipline areas. The University also continued to recognise outstanding achievement in public policy through the appointment of Public Policy Fellows. Examples of strategic appointments include the Centenary Chair in Cancer Research, the Dean of the ANU College of Engineering and Computer Science, the Dean of the ANU College of Business and Economics, the Director of The John Curtin School of Medical Research, the Director of the Research School of Psychology and the Director of the Research School of Population Health.

Following the voluntary early retirement scheme run in 2013, the University committed to invest funds into the renewal of academic staff, through targeted programs aimed at attracting early- and mid-career academic staff. More than 90 per cent of academic recruits in 2014 are early- and mid-career academic staff. Extensive international searches continued to be conducted for these academic appointments, aimed at recruiting the best academic staff worldwide, with the demonstrated potential to become international leaders in their respective disciplines. ANU researchers attracted significant grant support in 2014 through highly-competitive national schemes such as the ones administered by the ARC. Grants were awarded for research projects in areas that advance Australian research and innovation globally and benefit the community. Further information on the University's performance in attracting grants in 2014 is provided in the Research section of this report (pages 21-25).

## Leaders in public debate and business interaction

ANU actively encourages and supports staff to become leaders in public debate and business interaction.

Over the course of the year ANU academics were featured in the media commenting on their areas of expertise. This resulted in more than 15,000 articles nationally and more than 400 published Opinion Pieces.

ANU directly influenced key milestones of the growing innovation ecosystem of the ACT in 2014 and increased participation and understanding on campus of the value that external engagement can bring to research. ANU has developed and supported key initiatives to create a cohesive environment for researchers to interact with, and create, local industry:

- > The co-working space Entry29 was launched on campus in 2013 and in 2014 it became so successful that it expanded and moved to new premises.
- > In 2014, ANU became a leading partner in the CBR Innovation Network providing a connected environment between research institutions and start-ups.
- > Through ANU Connect Ventures, the University drove the inaugural GRIFFIN Accelerator Program, linking inexperienced entrepreneurs to experienced mentors. This first program supported three companies formed by recent or current ANU graduates.
- > An ANU-CSIRO joint initiative for a National Agriculture and Environmental Sciences Precinct was awarded \$18 million in funding to leverage existing institutional commitments and expand national capacity and research excellence in this growth area; and a Space and Spatial Industry Precinct continued to develop at Mount Stromlo, including the official launch of the Advanced Instrumentation and Technology Centre.

## Innovative & engaging teaching environment

Since the start of 2014, ANU has been a subscribing institution of the United Kingdom Higher Education Academy (HEA) and accredited to award professional recognition in all four categories of HEA Fellowships within the Professional Standards Framework. These fellowships provide professional recognition of academic and professional staff, from ANU or other Australian universities, who:

- > can demonstrate experience in, and knowledge of, teaching and learning
- > have engaged with relevant professional development, and
- > are committed to acting as a professional.

One hundred and sixteen staff members have been recognised as fellows to date across all four fellowship categories.

ANU received six national teaching awards in 2014, including three Office for Learning and Teaching Citations for Outstanding Contribution to Student Learning, awarded to Associate Professor Imogen Mitchell (ANU College of Medicine, Biology and Environment), Associate Professor Christine Phillips (ANU College of Medicine, Biology and Environment) and Dr Vinh Lu (ANU College of Business and Economics). Dr Vinh Lu also received the ANZMAC Emerging Marketing Educator of the Year Award 2013 in 2014. One Award for Teaching Excellence in the Early Career category was awarded to Mr Chris Browne (ANU College of Business and Economics).

The University facilitates innovation training and development and provides opportunities for students and staff of all disciplines to interact with business and industry for social and economic benefit.

- > The Technology Transfer Office runs training sessions on IP, industry engagement, licensing and start-ups; and in 2014 relaunched the InnovationACT entrepreneurship program with a pedagogical focus facilitated by the ANU College of Business and Economics.
- > The ANU College of Business and Economics and ANU College of Engineering and Computer Science both offer innovation courses which focus on the role of science and technology and information management in innovation and entrepreneurship, linking students with industry of different sizes to demonstrate best practice and undertake strategic projects.
- > During 2014, ANU has been actively developing business models to expand online education and sustainably increase the reach and impact of the University's research-led education.

## Lecturer recognised for teaching excellence

Systems engineering lecturer Chris Browne was recognised as one of Australia's top university teachers, receiving an Award for Teaching Excellence (Early Career) as part of the Australian Government's 2014 Australian Awards for University Teaching.

Mr Browne, from the Research School of Engineering, is completing a PhD on enhancing engineering education by designing effective hands-on learning activities.

He centres his classes on the innovative jigsaw classroom approach that places students at the centre of learning.

"Placing students at the centre of their learning and providing them with a framework in which to develop, integrate and synthesise their knowledge is at the heart of my teaching approach," Mr Browne said.

"Group work is notorious for being dominated by group dynamics, and my approach provides a template for group work and encourages students to be in charge of not only their own learning, but the learning of others in their group throughout the semester.

"For an early career academic, being able to try different things and getting some success out of it is rewarding.

"We're not teaching students what to think but teaching them how to think about problems and ways of finding possible solutions."

The award includes a \$25,000 prize, which he plans to use to further his research on effective teaching methods for developing creative and capable student engineers.

Mr Browne was presented the award by the Parliamentary Secretary to the Minister for Education, Senator the Hon Scott Ryan, at Parliament House.



Chris Browne

## Professional service & HR business transformations

Following the budget solutions staffing initiatives of 2013, a range of additional measures were undertaken in 2014, aimed at managing the delivery of professional services across the University.

The 2013 voluntary early retirement scheme resulted in changes to the professional staff cohort of the University and further structural changes were actioned in 2014 to better align professional staff service delivery models to the needs of the University and its strategic objectives.

The University committed resources to implement HR business transformations aimed at strategically streamlining existing processes. New online systems for travel approval and recruitment were successfully implemented in 2014, eliminating labour-intensive paper-based forms and allowing for accurate reporting on relevant performance indicators. In addition, new reporting options for managers and supervisors have been made available throughout 2014 and will continue in 2015 to support the development of high-performing teams.

After the success of reducing excess leave liabilities in 2013, efforts continued on the management of excess long service and annual leave in 2014. This initiative contributed to a 50 per cent reduction in the number of staff with excess long service leave in November 2014 compared to June 2013. The reduction was more significant in the professional category, where the number of staff with excess long service leave has reduced by 70 per cent.

## Safe & engaging work environment

A significant change included in the ANU Enterprise Agreement 2013-2016 was the establishment of the Professional Staff Scholarship Scheme, a competitive process where 50 scholarships of up to \$2,500 each are offered annually, to support the identified career development priorities of individual professional staff. Scholarships with a total value of more than \$100,000 were offered in 2014, supporting the development of our professional staff through accredited degrees, diplomas and certificates.

The University continued to award funds for staff development through the Professional Staff Development Endowment Fund which contributed towards participation in conferences and short courses.

### Recruitment process moves online

In 2014, the Online Recruitment project introduced a new online system for recruiting staff. The system, ANU Recruit, means an easier way of working for those who recruit new staff.

ANU Recruit is an online portal which removes the need for paper-based forms through automated work-flows for the application, selection and offer processes. The system also includes standardised position descriptions and letters of offer and a range of reports, including time-to-fill, onboarding details and demographic data. It also assists with advertisements and can be used for appointments without advertisement, variations to appointment and contract extensions.

The University continued to offer various training modules and development activities for academic and professional staff to ensure that talent is nurtured and supported. A range of training and development activities provided throughout 2014 included the development of teaching and student supervision, as well as grant writing skills for academic staff and the development of supervisory, team management and communication skills for professional staff.

The University also offers a range of mandatory online modules that staff need to complete within their probation period, such as the ANU Code of Conduct, Indigenous Cultural Awareness, Prevention of Harassment, Discrimination and Bullying and the Comcare Work Health and Safety module. Approximately 600 staff completed mandatory online training in 2014.

A new Academic Promotions policy was implemented in 2014, streamlining the existing process and introducing clear indicators to describe research, education and service contributions and to provide further guidance to academic staff in the pursuit of their career aspirations.

University staff will be further nurtured and supported to develop to their full potential through a new, targeted performance and development review process which guides performance management practices within the University, assisting staff to excel and meet their career goals and job expectations. The changes made to the Academic Performance Management process placed a key focus on robust performance measures.

## Staff excellence awards

The University recognises the talent and contributions made by our staff to ANU and the wider community through the Staff Excellence Awards. The Awards are an annual celebration to honour staff across ANU who demonstrate excellence in achievement and contributions that advance the University's strategic goals.

In 2014, Vice-Chancellor Professor Ian Young presented awards for public policy and outreach, innovation and excellence in service, and for reconciliation.

"Your contributions are an essential element in the success of ANU in meeting the standards of excellence to which we are committed," Professor Young said.

Professor Young also recognised the commitment and achievement of 38 staff who celebrated more than 25 years of service at ANU and four staff who celebrated more than 40 years of service.

"We are indeed privileged that you have chosen to devote so much of your working life to the ongoing success of this university," Professor Young said.

"I would especially like to acknowledge those of you who have recently retired and returned to receive your awards, and those who have retired from paid service and nonetheless continue to contribute to this university."

Those awarded for 40 years' service included Janet Bruce, Corporate Governance and Risk Office, Dr Colin Peter Groves, ANU College of Arts and Social Sciences, David J Llewellyn, ANU College of Medicine, Biology and Environment and Professor John Norris from the ANU College of Physical and Mathematical Sciences.

Associate Professor Nicole Haley, the recipient of 2014's Individual Award for Public Policy and Outreach, was commended for her important contribution to public policy and debate. Under Associate Professor Haley's stewardship, the State, Society and Governance in Melanesia program has become a leading international centre for multidisciplinary research on contemporary Melanesia, Timor Leste and the broader Pacific. She has also demonstrated substantial influence with regards to the Australian Agency for International Development program, particularly in the areas of women's empowerment and political participation, election monitoring and electoral reform and promotion of democracy.



Associate Professor Nicole Haley with ANU Vice-Chancellor, Professor Ian Young AO

# STUDENTS

The University's strategic plan *ANU by 2020* sets out the goal that the student population in 2020 be characterised by:

- > high achievement
- > a high percentage of postgraduate students by Australian standards
- > accessing the University through effective pathways for students from a range of backgrounds
- > almost 50 per cent of domestic students are from locations outside the ACT, and

- > students, at all levels, experiencing the research and culture of the University.

ANU continued to attract high-achieving students in 2014 with the percentage of postgraduate students rising from 35 per cent in 2010 to 45 per cent in 2014. In 2014, 14 per cent of the University's total student load were higher degree research students and 31 per cent were postgraduate coursework students.

TABLE 8: EFTSL BY PROGRAM CAREER FOR 2010 TO 2014<sup>1</sup>

Program Career	2010	2011	2012	2013	2014
Higher Degree Research	1,896.5	2,031.7	2,054.1	2,117.9	2,135.9
Postgraduate Coursework	2,783.1	2,977.2	3,376.9	3,986.0	4,860.7
Undergraduate	8,666.6	8,809.9	8,777.6	8,500.1	8,413.9
Non-award	126.3	102.6	93.3	78.2	81.5
Enabling	51.4	51.8	66.1	74.7	103.0
<b>Grand Total</b>	<b>13,523.8</b>	<b>13,973.2</b>	<b>14,368.0</b>	<b>14,756.9</b>	<b>15,594.3</b>

<sup>1</sup> The 2014 data are provisional as at 15 December 2014

TABLE 9: STUDENT ENROLMENTS BY PROGRAM CAREER FOR 2010 TO 2014<sup>1</sup>

Program Career	2010	2011	2012	2013	2014
Higher Degree Research	2,581	2,702	2,797	2,866	2,883
Postgraduate Coursework	5,813	6,362	7,025	7,974	9,459
Undergraduate	10,173	10,258	10,259	10,052	10,081
Non-award	169	159	167	217	171
Enabling	1	0	0	4	5
<b>Grand Total</b>	<b>18,737</b>	<b>19,481</b>	<b>20,248</b>	<b>21,113</b>	<b>22,599</b>

<sup>1</sup> The 2014 data are provisional as at 15 December 2014. Data reflects primary programs only.

The increasing attractiveness of ANU to high-achieving students is also seen in the rise in the median ATAR for entry.

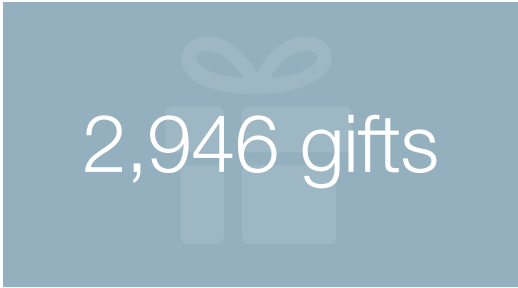
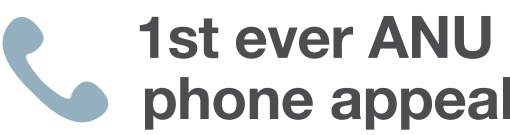
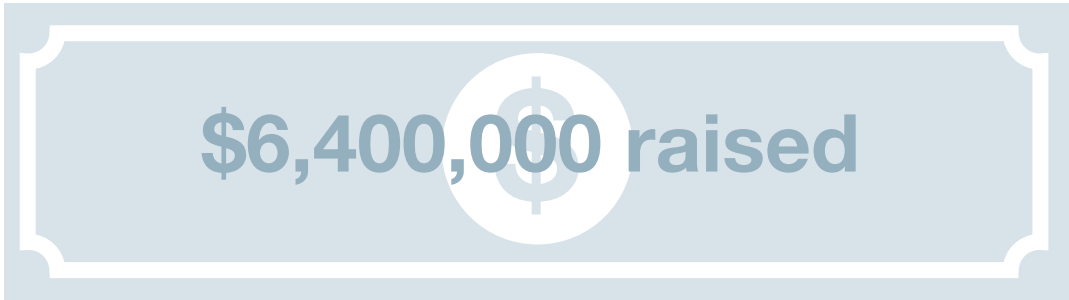
TABLE 10: MEDIAN ATAR\* SCORES FOR 2010–2014

	2010	2011	2012	2013	2014
Median entry ATAR score	93.2	93.7	92.65	95.55	97.2

\* We only count applicants with an ATAR less than 100.

# ENGAGED ALUMNI & A CULTURE OF PHILANTHROPY

## ALUMNI & PHILANTHROPY AT A GLANCE



### Alumni by academic college



**28,382**  
ANU College of Arts & Social Sciences



**21,419**  
ANU College of Medicine, Biology & Environment, and ANU College of Physical & Mathematical Sciences



**20,604**  
ANU College of Business & Economics



**14,764**  
ANU College of Law



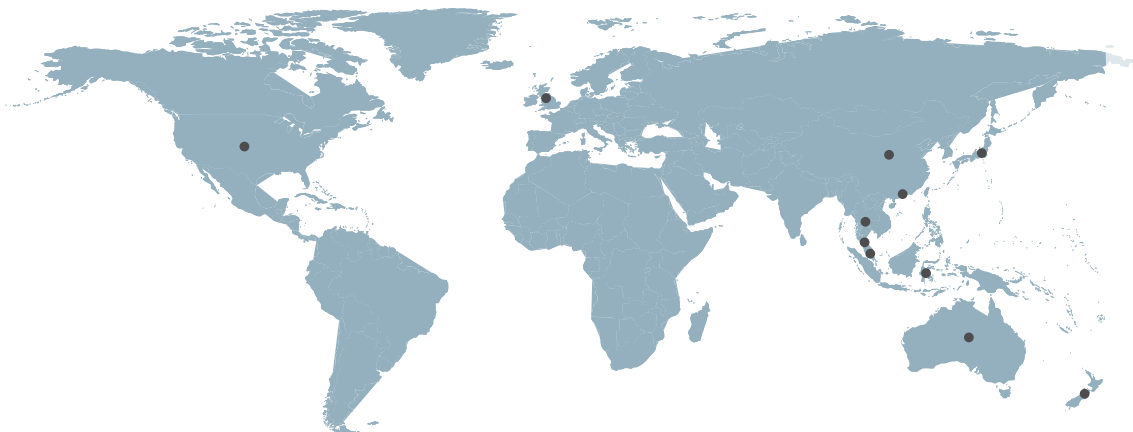
**11,840**  
ANU College of Asia & the Pacific



**4,155**  
ANU College of Engineering & Computer Science



# Top 10 Alumni Countries



AUSTRALIA  
**73,298**

CHINA  
**2,116**

UNITED STATES  
**1,477**

SINGAPORE  
**1183**

MALAYSIA  
**1,053**

INDONESIA  
**924**

UNITED KINGDOM  
**914**

HONG KONG  
**808**

NEW ZEALAND  
**532**

JAPAN  
**475**

THAILAND  
**426**



Building on the success of recent years, the University continued to enhance its alumni and philanthropic engagement and development activities during 2014.

The year began with the commencement of the first 25 Tuckwell Scholars. The Tuckwell Scholarship Program, established in 2013 by Graham and Louise Tuckwell, offers the most transformational undergraduate scholarship in Australia. The Scholars were supported throughout 2014 by the three Tuckwell Fellows: academics who provided mentoring, pastoral care and an enrichment program focused on leadership. The Scholarship is a platform to create opportunities, connect with influential leaders, build networks and achieve future aspirations.

At the start of the year, Australian natural resource scientist and ANU graduate, Dr Rob Lesslie, along with his family, set up a generous

new endowment to help promote sustainable management of Australia's natural landscape. While Dr Lesslie passed away in March 2014, the Lesslie Endowment will continue his vision by providing research grants and scholarships for honours and graduate students to help with operational expenses for their study, while ANU researchers and affiliates will be able to apply for grants of up to \$25,000.

In September, entrepreneurs and ANU graduates Michelle Melbourne and Phillip Williamson redefined the shape of modern philanthropy with a major new donation to the University. The gift-in-kind from their Canberra-based company Intelledox was more than \$1 million worth of software, which has already started to streamline the University's complex administration processes. Read more about the administrative benefits on page 73.

## **A gift of love to ANU**

After a long career in teaching and research, Emeritus Professor John Love believes in giving some more.

In November, Professor Love donated \$1.05 million to ANU to fund a new scholarship to help students who most need financial support.

For Professor Love, from the Research School of Physics and Engineering, the donation is about giving back to the ANU community, which has been his de-facto family for the past 40 years.

"During the last 40 years I've come across difficult circumstances for friends, relatives, students," Professor Love said.

"It started me thinking about how I could help people, particularly as I don't have any family to support.

"So I thought about setting up some scholarships for students who are academically good enough to be at ANU, but for all sorts of odd reasons can't get here for financial, medical or other reasons. I'm lucky to be in a position to do that."

ANU Vice-Chancellor, Professor Ian Young AO, thanked Professor Love for his gift.

*Continued next page*

“Professor Love’s gift is extraordinarily generous, and will establish a scholarship that will help students reach their full potential. On behalf of the University, I’d like to thank Professor Love for his wonderful contribution.”

The donation will fund the new ANU Love Scholarships, which will provide financial support to students.

The first scholarship will be awarded in 2016, with a new recipient in each subsequent year, with up to five scholarship holders to be at ANU by 2020.

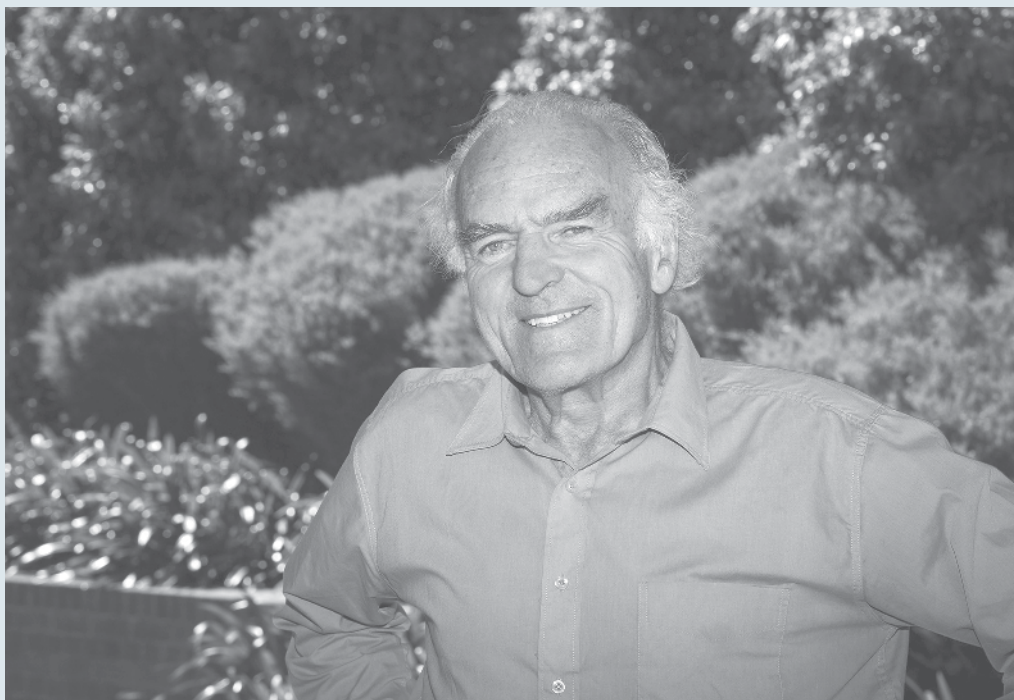
After studying at Oxford and Cambridge, Professor Love worked at universities in California and Canada before being enticed to ANU in 1973.

Originally a mathematician, Professor Love has been a pioneering researcher into fibre optics, which have revolutionised communications over the past 40 years.

Now retired, Professor Love remains an active member of the laser physics and optics community at ANU, and he is still regularly at work in his office.

He said he hoped his gift to ANU would encourage others to donate.

“I hope it will encourage others to do something similar,” he said.

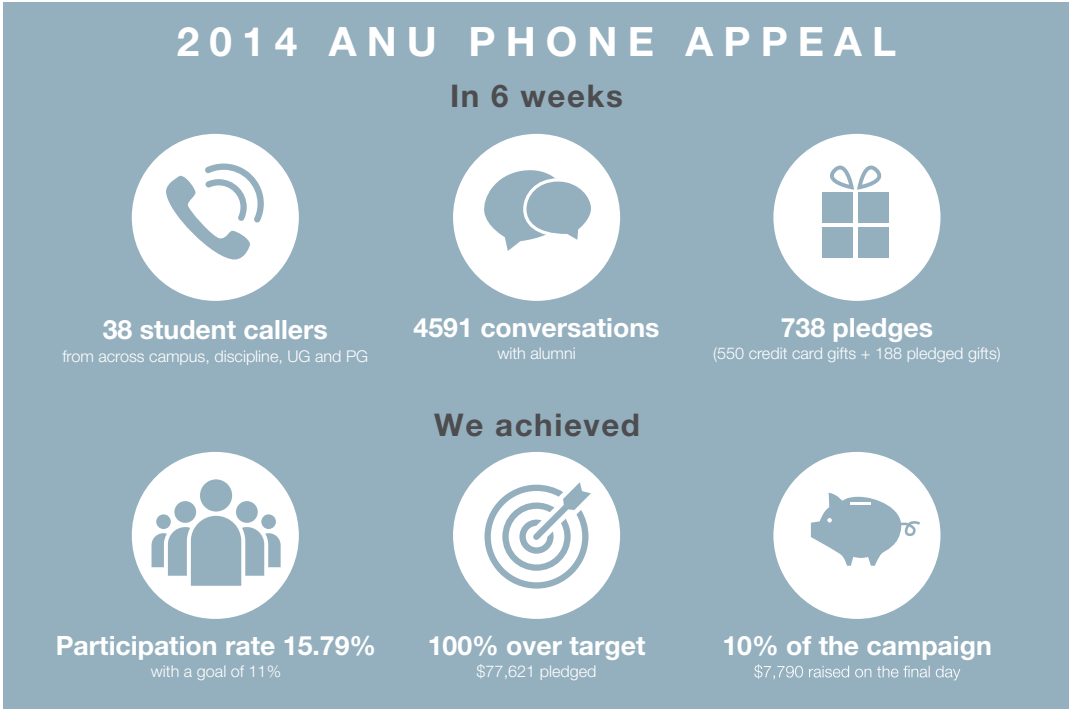


Emeritus Professor John Love

2014 also saw the start of the University's Annual Giving Program. Annual Giving programs create a community of donors and supporters committed to enhancing opportunities for the University, its students, faculty and staff.

The ANU Fund, which is central to the University's Program, was established to collect gifts for areas of greatest need, contributions from alumni, friends, donors, staff and students and will be used to increase scholarships, strengthen teaching facilities, fund community activities and promote innovative research.

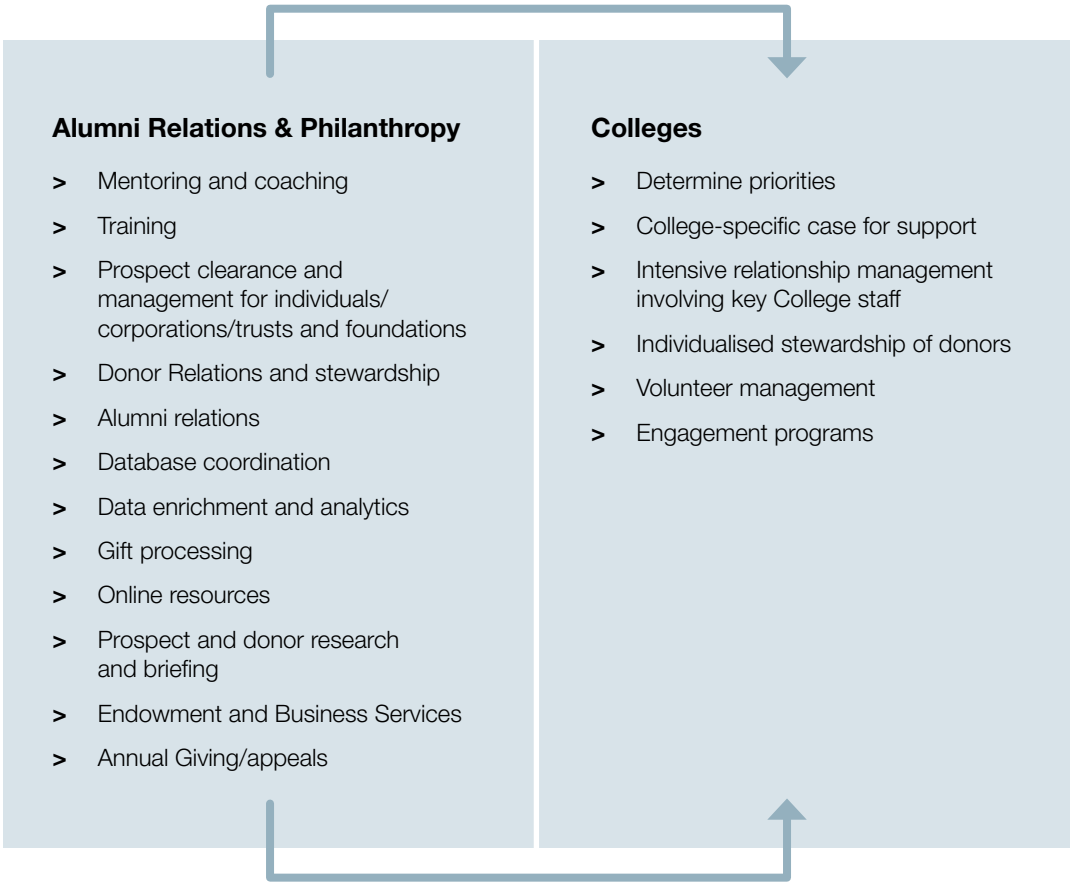
In November, ANU launched its first ever telephone campaign as part of the Annual Giving Program. Spanning six weeks, the student calling program gave ANU alumni the opportunity to speak with students and share their personal ANU stories, learn about what is happening on campus, offer feedback and support The ANU Fund. More than 8,000 ANU alumni were contacted through the appeal, resulting in 738 pledged gifts of support.



The establishment of a split-funded network of advancement professionals within colleges to complement the central fundraising team began in 2014. The network supports college-based staff working closely with the central department to ensure a coordinated and cohesive approach to fundraising, with a focus on the University's relationships with alumni and donors. This model has the benefit of central support added to local area knowledge, priorities and relationships.

By the end of 2014, four ANU Colleges had initiated recruitment processes to attract high-performing advancement staff to the University.

SPLIT-FUNDED NETWORK MODEL



## Engaging with Alumni

In 2014, ANU continued to build alumni networks and programs in Australia and internationally, with participation in the University's alumni programs growing by eight per cent to 42 per cent. This places the University on track to meet its *ANU by 2020* target of having 50 per cent of alumni engaged by 2015.

More than 60 alumni events were held in 2014, including those coordinated by alumni volunteer networks in Melbourne, North America and Canberra. International engagement events were held in London – with distinguished graduate Graham Tuckwell as guest speaker – New York and San Francisco.

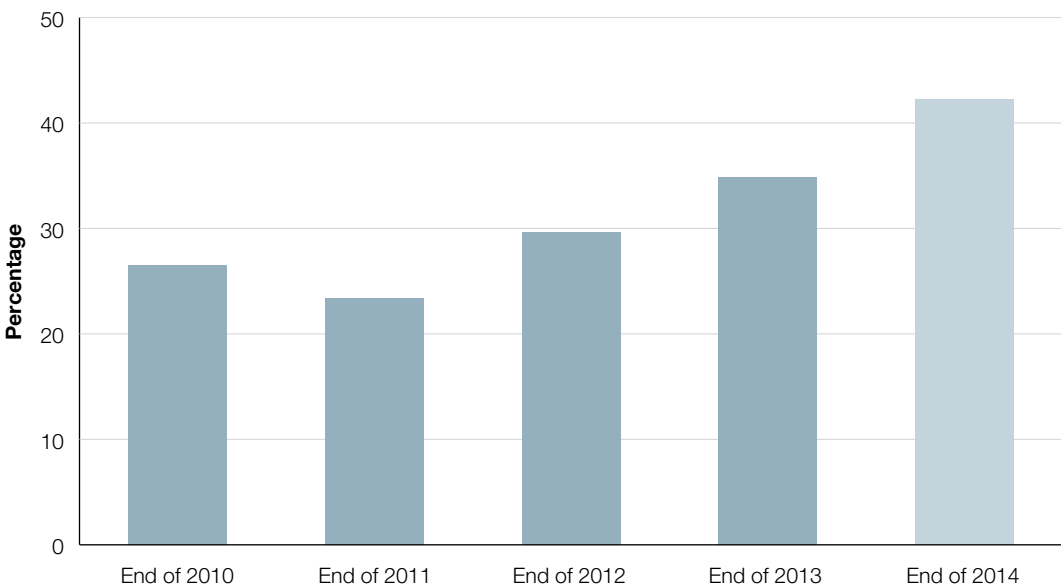
Key Canberra highlights included the annual Vice-Chancellor's Alumni Recognition Celebration which honours alumni publicly recognised for their impact and achievements, including recipients of Australia Day and Queen's Birthday Honours.

In March, ANU alumnus Dr Michael Brand, Director of the NSW Art Gallery, hosted an alumni and friends reception at the Gallery.

Interest in the Golden Graduates' Reunion program grew amongst the University's community of more than 7,000 alumni who are 60 years of age and over, with a celebration of their contributions to the University's past, present and future. This annual event was held at Bruce Hall and attracted more than 100 guests, including a number of alumni who travelled from around Australia.

Alumni volunteers play a key role in helping the University engage with its global alumni network, contributing their time and expertise in a number of activities. ANU continued to work actively throughout Australia and internationally with volunteers and held the first North America Alumni Volunteer Leaders' Conference in September. The Young Alumni Council met throughout the year and played a vital role in

FIGURE 1: ALUMNI ENGAGEMENT PERCENTAGE BY YEAR



**Note:** Engagement is defined as alumni who update their contact details, donate philanthropically or RSVP to an event.

working with the University to advise on programs of interest for this important community of alumni 32 years of age and younger. The Melbourne Alumni Network ran a program of engagement throughout the year, including a well-attended forum on growing business in China.

In July, the University welcomed back three of its North America-based alumni who spoke at graduation ceremonies. These alumni also presented at the Silicon Valley Alumni

Career Forum, which attracted more than 100 students and graduates interested in expanding their careers internationally or in technology, entrepreneurship and innovation.

In 2014, the Alumni office connected with more than 4,000 new graduates at graduation ceremonies in July and December. Graduating students were informed about the importance of remaining connected to ANU and invited to join the alumni community.

### **ANU celebrates its alumni**

Businesswoman Ms Thérèse Rein and international art scholar Dr Michael Brand returned to Canberra to be honoured at the 2014 ANU Alumni Awards.

Ms Rein and Dr Brand were awarded the highest ANU honour, joint Alumnus of the Year, at a Gala Dinner held at Hotel Realm.

In its second year, the ANU Alumni awards celebrate the University's outstanding alumni and their achievements.

Both Ms Rein and Dr Brand acknowledged the opportunities that opened up to them after completing their education at ANU.

"I'm so grateful that I had access to a first-class education at ANU. Many people around the world do not have that opportunity," Ms Rein said.

"Studying at ANU provided me with the inspiration to look wider and think deeper, and the possibility to work internationally as well as in Australia," added Dr Brand.

"Being honoured as an Alumnus of the Year means a huge amount to me because I have always wanted my work to be relevant at home, and ANU is a public university that truly lives up to its national role."

Along with Alumnus of the Year, alumni across seven different categories were recognised.

Ms Jamila Rizvi, editor of the political opinion website Mamamia.com.au, and Mr Huy Nguyen, an advocate for people with disability and the ACT's Young Australian of the Year, were awarded joint Young Alumnus of the Year.

Ms JuE Wong, CEO of StriVectin, the largest global independent prestige skin care company, was awarded International Alumnus of the Year.

*Continued next page*

Ms Bettina Söderbaum was awarded Alumni Volunteer Leader of the Year for her dedicated service as a volunteer over the past three decades to both ANU and Burgmann College.

“Alumni are ambassadors of the University and what they go on to achieve after graduation is a measure of the University’s success,” said Vice-Chancellor Professor Ian Young AO.

“We are immensely proud of our graduates and on behalf of the University I would like to congratulate the winners for the outstanding contributions that they make internationally and to ANU.”



Top row: Jamila Rizvi, Areti Metuamata, Bettina Söderbaum, ANU Chancellor Professor the Hon Gareth Evans AC QC, Dr Michael Brand, Thérèse Rein, ANU Vice-Chancellor Professor Ian Young AO, Tess Kelly, Tony Hartnell AM  
Bottom row: Huy Nguyen and Rizalyn Sarda Albarracin



# NATIONAL OUTREACH

## Relationships with business & industry

The University created and expanded the reach of a number of industry-led consortia in 2014.

The launch of the Cooperative Research Centre for Space Environment Management in 2014 has developed a platform for university-corporate engagement that has expanded opportunities for research, education and instrumentation development with companies such as Lockheed Martin, Boeing, Northrop Grumman and Thales.

A range of partnerships with renewable energy companies were initiated through the Energy Change Institute. As part of the ACT Government's scheme to increase energy provided in the ACT through renewable sources, ANU will develop collaborations around specific research projects, access a variety of student internship opportunities and gain industry input into course delivery.

A joint venture with Chinese solar PV company Trina Solar, and collaboration with the Solar Energy Research Institute of Singapore, and Australian consulting firm PV Lighthouse resulted this year in the creation of a new high-efficiency solar cell. The cell is currently being developed with Trina into a commercial version.

Further partnerships were established with companies in China to support research and development into materials research for a high-dielectric material with unique properties suitable for a supercapacitor and to establish a proof-of-concept for synthetic and sustainable generation of hydrogen fuel.

Projects funded through the University's translation scheme, the Discovery Translation Fund, attracted industry attention and leveraged funds for further research and development in 2014. This includes negotiating significant funding from Chinese manufacturing and Brazilian mining to develop a novel, high-dielectric material; funding from multinational agribusiness to develop crop optimisation research; an industry trial to extend successful individual e-mental health interventions to a corporate workplace tool; and partnering to scale a manufacturing process for an optical smartphone microscope, a technology which also won the 2014 ANSTO Eureka Prize for Innovative Use of Technology.

New companies based on ANU intellectual property were formed in 2014, including:

- > nuCoria Pty Ltd to commercialise an ophthalmic device to aid in the diagnosis of glaucoma, age-related macular degeneration and diabetic retinopathy
- > Liquid Instruments Pty Ltd to develop a research test and measurement system
- > 2DFAB Innovations Pty Ltd which will commercialise two-dimensional nano materials, including planar impurity-free graphene.

ANU founded company Lithicon AS was sold for US\$68 million to US-based microscopy company FEI this year, which in turn has entered into a multi-year research and development agreement with the University. Beta Therapeutics Pty Ltd completed its first year of preclinical development of a Type 1 and Type 2 diabetes treatment in 2014, and entered into an Option to Licence Agreement with a top ten pharma company. Both ANU start-ups have returned significant research and development funding back into the University since establishment.

## ANU scientist wins Eureka Prize

Dr Steve Lee, from the Research School of Engineering, won the ANSTO Eureka Prize for Innovative Use of Technology, alongside collaborator Dr Tri Phan from the Garvan Institute of Medical Research, for inventing a cheap lens that can convert a smartphone into a high-resolution microscope.

The lenses are made by using the natural shape of liquid droplets. Costing less than a cent, the invention promises a revolution in science and medicine in developing countries and remote areas, where they could be used for remote medical diagnosis.

Presented annually by the Australian Museum, the Eureka Prizes reward excellence in research and innovation, leadership, science communication and journalism, and school science.

"It would be perfect for the third world. All you need is a fine tipped tool, a cover slip, some polymer and an oven," Dr Lee said.

Dr Lee and his team worked with Dr Phan to design a lightweight 3D-printable frame to hold the lens, along with a couple of miniature LED lights for illumination, and a coin battery.

Dr Phan said the tiny microscope has a wide range of potential uses, particularly if coupled with the right smartphone apps.

"This is a whole new era of miniaturisation and portability – image analysis software could instantly transform most smartphones into sophisticated mobile laboratories," Dr Phan said.

"I am most able to see the potential for this device in the practice of medicine, although I am sure specialists in other fields will immediately see its value for them."

Dr Lee said the low-cost lens had already attracted interest from a German group interested in using disposable lenses for tele-dermatology.

"There are also possibilities for farmers," he said. "They can photograph fungus or insects on their crops, upload the pictures to the internet where a specialist can identify if they are a problem or not."



Dr Steve Lee. Photo by Stuart Hay.

### **\$76 million start-up sale**

A high-technology company set up by ANU and the University of New South Wales (UNSW) was sold for \$76 million (US\$68 million).

The company, Canberra-based Lithicon AS, was sold to the US-based FEI Company, a world leader in imaging technology for a range of markets, including oil and gas exploration.

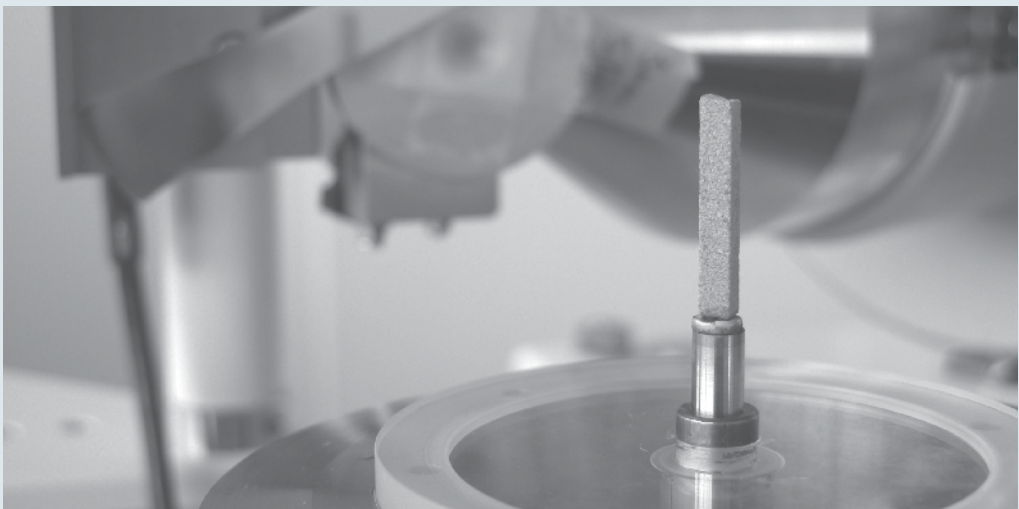
ANU and its related entities received the first proceeds of US\$9.7 million from the sale in 2014, representing a five-fold increase in its original investment.

The sale is the most significant commercial spinoff for ANU in the past decade and underlines the strength of the University's research and partnerships with industry.

Lithicon, previously known as Digitalcore, was originally set up in 2009 by ANU scientists in collaboration with colleagues at UNSW to develop an advanced computational approach to rapidly solving fluid behaviour in oil reservoirs. The basis of this approach is a revolutionary high-resolution 3D imaging technique. FEI also plans to develop new markets outside oil and gas using this imaging technology.

Working closely with some of the world's biggest resources companies, the technology produces digital 3D images and simulations of fluids in rock samples, giving companies crucial information to help them work out the best way to extract oil and gas.

Prior to the start-up, researchers at ANU and UNSW created a research consortium with 14 multinational oil and gas companies to prove and develop this emerging technology. The industry engagement allowed the concept to be market tested. This demonstrates that the Australian Capital Territory can foster high-technology start-ups from fundamental research through technology transfer.



## Community engagement

In early 2014, the voice of ANU for more than 40 years, *ANU Reporter* was transformed. The restructure of the publication included a significant change in the content of the magazine, drawing on voices and opinions from across the ANU community as well as a complete redesign of the look of the publication and the development of a new rich digital version. The changes have seen renewed engagement with the magazine by the ANU community. The launch of the tablet edition of the magazine saw the magazine's circulation jump to 13,000 members of the ANU community.

During 2014, the Experience ANU event program saw more than 20,000 people attend the campus. Highlights of the program included:

- > an evening with Canadian astronaut Commander Chris Hadfield that attracted a sell-out crowd of 1,300 to campus
- > producing *When Does Science Matter?* a one-night-only discussion with four of the world's most eminent scientists, including former US Energy Secretary and Nobel Laureate, Professor Steven Chu
- > the launch of *Eat Drink and Be Literary*, a series of paid events where guests raise a glass with their favourite writers. In 2014, writers included, Shaun Micallef, William McInnes, Steve Lewis and Chris Uhlmann
- > the *Blow up the Lecture* series which integrated social media and live streaming to enhance the discussion around the future of education in an online world
- > the second annual ANU Twilight Festival, attracting more than 2,500 staff, students and alumni to a night of fun and celebration on campus.

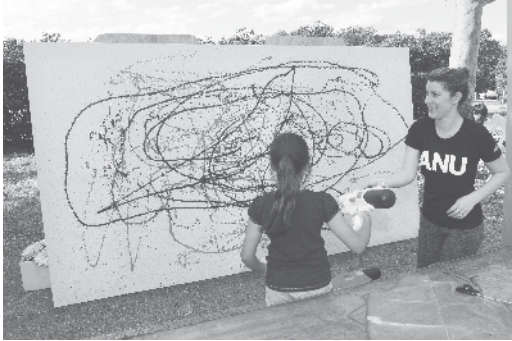
For those who could not make it to campus, the Experience ANU program launched a podcast channel via Soundcloud which gave the community access to over 41 recorded events in the second half of 2014. Videos on the ANU Channel on YouTube attracted over four million views.

Over the course of the year, ANU hosted 153 diplomats, nine executives from the Australian tertiary sector, 40 federal politicians, 15 international politicians, 30 international university executives, 15 international distinguished guests and 68 public service executives on campus.

In July, the Prime Minister of Japan, Shinzo Abe, visited ANU where he delivered a short speech at University House and witnessed the signing of a Memorandum of Understanding (MOU) between ANU and Ritsumeikan University.

In November, The Right Honourable Tan Sri Dato' Haji Muhyiddin Haji Mohd Yassin, the Malaysian Deputy Prime Minister and Minister of Education visited ANU to witness the signing of an MOU between ANU and the National University of Malaysia.





The ANU community experiencing the ANU Twilight Festival.

## **ANU honours Obama's former energy secretary Professor Steven Chu**

ANU bestowed its highest honour, an Honorary Doctorate, on former United States Energy Secretary and Nobel Laureate, Professor Steven Chu, in 2014.

Professor Chu was awarded a Nobel Prize in 1997 for his work trapping atoms with laser light. He has subsequently applied his physics knowledge to studying biological systems and to research sustainable energy technology.

He served as the US Secretary of Energy under Barack Obama from 2009 to 2013. In that period, he oversaw a doubling of the amount of power generated by renewables in the US.

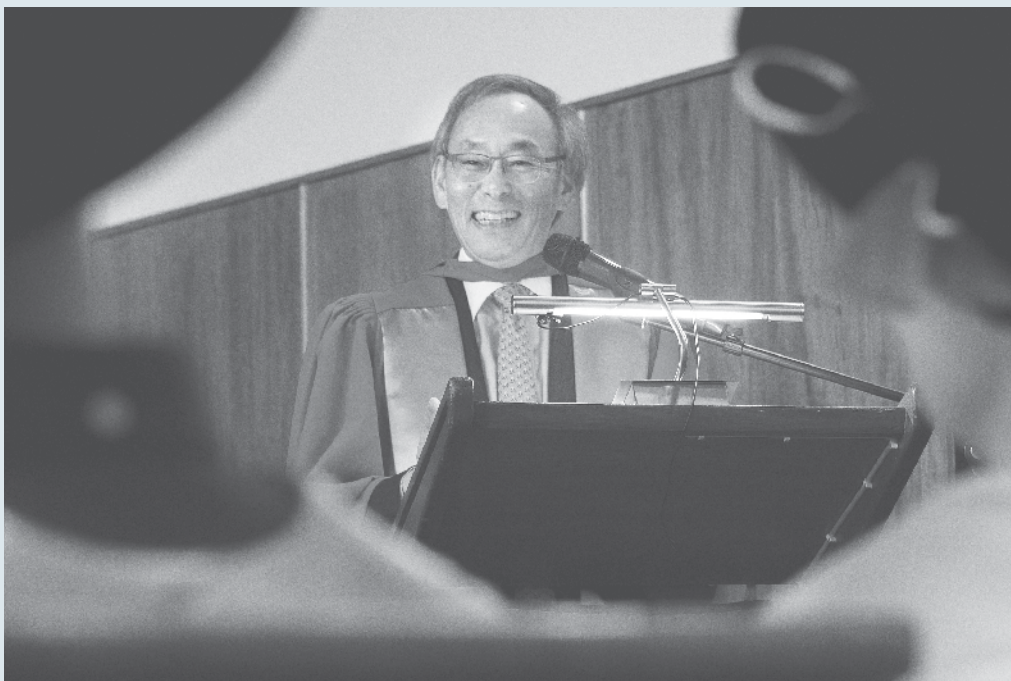
"I am honoured to be here to receive an honorary degree from ANU – a premier university in Australia and highly ranked internationally," Professor Chu said.

ANU Vice-Chancellor Professor Ian Young AO congratulated Professor Chu on his award and his career.

"Professor Chu's career is one distinguished by contributions to the advancement of science and energy of immense global significance," Professor Young said.

He said Professor Chu, who first visited ANU for a science conference in 1991, was the first scientist to hold a position in the US Cabinet.

Professor Chu was awarded the degree of Doctor of Science *honoris causa*.



Professor Steven Chu

# INTERNATIONAL OUTREACH

In 2014, ANU further strengthened its international engagement across a range of areas. Highlights included the establishment of new university partnerships and the enhancement of existing ones, the broadening of the range of international destinations available through

student mobility programs, and establishing more strategic relationships with key overseas government agencies and funding bodies. In addition, the University grew its international student enrolments, with an overall increase of 8.5 per cent compared with 2013.

TABLE 11: INTERNATIONAL ENROLMENTS 2013-2014

Home Location	Postgraduate		Undergraduate	
	2013	2014	2013	2014
North-East Asia	1,969	2,302	1,143	1,270
South-East Asia	656	691	595	520
Southern and Central Asia	337	364	92	88
Americas	202	245	113	102
North-West Europe	104	113	39	33
North Africa and The Middle East	83	89	12	13
Oceania and Antarctica	75	75	24	28
Sub-Saharan Africa	79	94	11	8
Southern and Eastern Europe	41	51	11	8
Other	4	2	0	1
<b>International Total</b>	<b>3,550</b>	<b>4,026</b>	<b>2,040</b>	<b>2,071</b>

**Notes:**

Based on provisional enrolment data as at 15 December 2014.

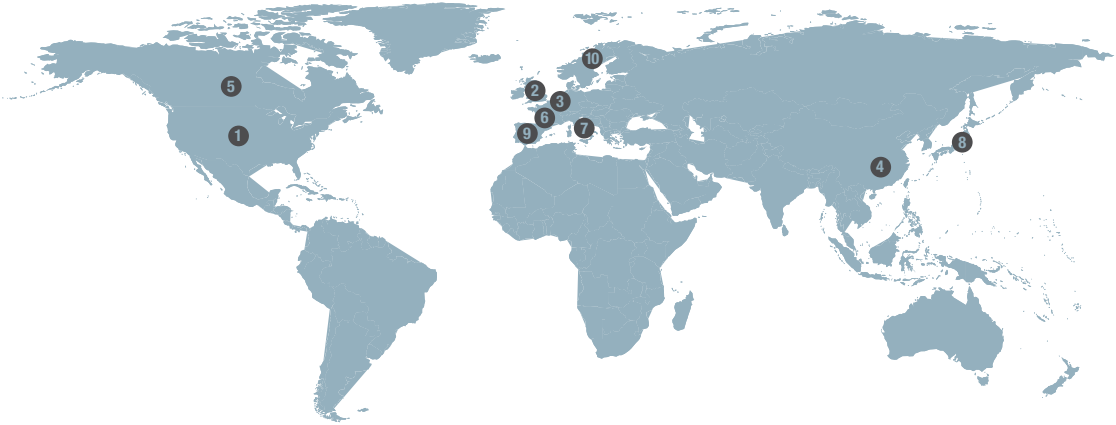
Students who are New Zealand citizens are classified as domestic students.

Postgraduate category includes HDR and Postgraduate coursework students.

Undergraduate category includes undergraduate, enabling and non-award students.

All data reflects primary programs only.

FIGURE 2: TOP 10 COUNTRIES WHERE ANU HAD RESEARCH COLLABORATION IN 2014



### Countries

- |                             |           |            |
|-----------------------------|-----------|------------|
| 1. United States of America | 5. Canada | 9. Spain   |
| 2. United Kingdom           | 6. France | 10. Sweden |
| 3. Germany                  | 7. Italy  |            |
| 4. China                    | 8. Japan  |            |

**NOTE:** As measured by number of international co-publication of academic papers.

### Universities and research organisations

A major international engagement event hosted by ANU in 2014 was the Association of Pacific Rim Universities (APRU) Annual Presidents Meeting, held on the ANU campus in June. This meeting brought together 18 university presidents and vice-chancellors, and over 60 delegates from 30 APRU member universities, including The University of California, Los Angeles, National University of Singapore, Far Eastern Federal University, University of Malaya, University of Sydney, University of Hong Kong and University of Tokyo.

The Association of Pacific Rim Universities (APRU) was established in 1997 and is an alliance of leading research universities of the Pacific Rim. Forty-five universities from the Americas, Asia, and Australasia are members, including ANU.

It is only the second time the Presidents meeting has taken place in Australia.

ANU also hosted the International Alliance of Research Universities Global Cross-Disciplinary Tournament (GXT), which brought together students from a number of partner universities, including The University of Cambridge, University of Oxford, University of Tokyo and the National University of Singapore.

The Vice-Chancellor and members of the Executive led senior university-level delegations to China, India and Indonesia in 2014. These visits were aimed at both strengthening the University's profile in each country and further progressing collaborative arrangements with key partner institutions. Outcomes of the delegation to China included the signing of a joint PhD agreement with the University of the Chinese Academy of



Science (UCAS) and the renewal of a student exchange agreement with Peking University. The joint agreement with UCAS establishes a dual PhD program where PhD students will spend two years of their program in China and two years at ANU. UCAS has more than 20,000 PhD students and is the degree-awarding institution for 117 UCAS institutes distributed around China.

### **Developing links with international research funding & philanthropic agencies**

Alumni Relations and Philanthropy – through its Corporate & Foundation Relations team – is focused on establishing relationships with a select portfolio of international philanthropic foundations to secure support for research and other programs across ANU. Efforts were focused on leading USA foundations, including The Kavli Foundation, John D. and Catherine T. MacArthur Foundation, Andrew W. Mellon Foundation, and the Gordon & Betty Moore Foundation, whose research interests closely align with ANU expertise.

The University's most recent success has been with the Bill & Melinda Gates Foundation which has now resulted in significant funding for investigators at The John Curtin School of Medical Research, Research School of Biology, and the Crawford School of Public Policy.

ANU is also seeking to build collaborative relationships with Brazilian researchers and in 2014 signed an agreement with the Foundation for Research Support of the State of São Paulo. Brazil is a growing market for research and research students, and this agreement will provide a framework for future scientific collaborations such as joint research projects, workshops, seminars and exchanges. The next stage in building this relationship will be for a delegation of ANU researchers to attend a workshop in Brazil in the first quarter of 2015, identifying and proposing specific collaborative projects.

### **The international study experience**

The Australian Government's \$100 million New Colombo Plan (NCP), launched in late 2013, was a focal point for the University's student mobility efforts in 2014. ANU successfully bid for NCP funding to support students pursuing long and short-term studies in Japan, Indonesia, Singapore and Hong Kong. In addition, two ANU students were named NCP Fellows, among only four Fellows chosen nationwide. The NCP is a major opportunity for ANU to broaden the range of student mobility opportunities that it provides across the Asia Pacific region, both in foreign languages and in English. It also allowed the University for the first time, to provide structured study abroad opportunities for first-year undergraduate students.

In 2014, ANU implemented a new global opportunities database system which provides an accessible database system for the promotion of programs at our partner institutions. It also streamlines the application process for students and, in the future, will allow academic colleges to assess applications through the portal. The system made information on programs and scholarships much easier to access and, for the first time, international study information is available to students before the commencement of their studies at ANU.

## New Colombo Plan Scholars and Fellows

Six ANU students won scholarships to study in Asia and the Pacific in 2015 as part of the Federal Government's New Colombo Plan, with two awarded prestigious fellowships.

The students – Alana Tolman, Andrew Wrigley, Ee-Faye Chong, Erin Corkill, Mark Pennini and Stephanie Otten – are studying a range of degrees in the sciences, international relations and law disciplines. Alana Tolman and Mark Pennini were awarded two of 17 national fellowships.

Alana was named the Brunei Fellow and Mark was named the Mongolia Fellow.

Alana, who is studying for a Bachelor of Law and Asian Studies, will spend at least a year studying at the University of Brunei Darussalam.

"That entails being a spokesperson for the program, or for other scholars at other particular events and being the representative to be sent to embassies or conferences," she said.

The 19-year-old said she will be based in Brunei but may travel to Malaysia or Indonesia for field work during the posting.

"During that time I'm also hoping to line up an internship with the Australian High Commission there, to gain an understanding of how Australia relates to the Asia Pacific," she said.

"Studying law I'd also be interested in a law internship."

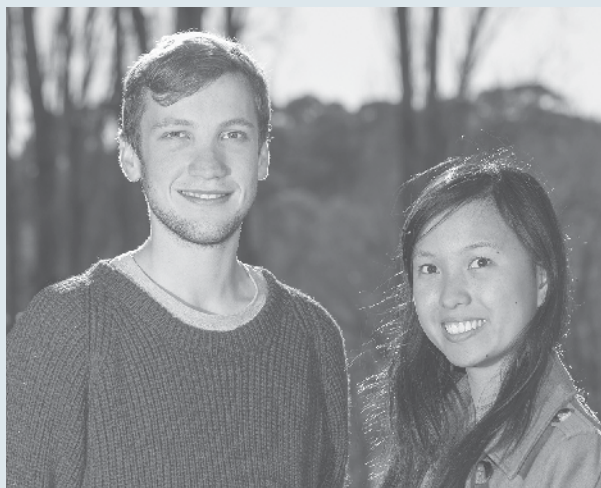
The Colombo Plan scholarships, valued at up to \$65,000 each, will allow each student to spend up to 12 months at an overseas university, with an optional further six months as an intern.

The New Colombo Plan was launched by the Minister for Foreign Affairs, the Hon Julie Bishop MP, in December 2013 as a platform for Australia's engagement with Asia.

In August 2014, the program was extended from the original four destinations to include 38 countries for the 2015 round of scholarships.

The six ANU students were chosen from a national pool of 284 nominees. Nationally, 69 students received scholarships in the latest round.

ANU secured \$340,000 in funding for the latest round, taking the University's total funding under the New Colombo Plan to \$556,000.



Sam Guilfoyle and Ee-Faye Chong

## A focus on Asia & the Pacific

The University continued to increase its focus on Asia and the Pacific throughout 2014 with a range of outreach and collaborative activities, primarily led by the ANU College of Asia and the Pacific.

More than 470 articles relating to the Asia Pacific were published, 150 of which were featured by national and international media. The Crawford School of Public Policy introduced an open-access, peer-reviewed *Asia and the Pacific Policy Studies* journal, which attracts contributions from public policy experts around the world, and achieved more than 36,000 downloads in its inaugural year.

The College offered a range of outreach activities, including the Indonesia Gifted Researchers Program – offering five days of intensive workshops for 50 Indonesian undergraduate students. The program was hosted in West Java and attended by ANU executive staff and students, as well as Indonesian academics.

Regional updates were delivered on China, Indonesia, Japan, Mongolia, Vietnam and the Pacific. These conferences focused on building closer academic, research and policy linkages between Australia and the target countries and were attended by representatives from government agencies, the corporate sector, policy makers, NGOs, journalists and the general public.

The University signed 22 new agreements with partners in the Asia Pacific region, as well as establishing the Global Malaysian Studies Network at ANU, which will provide both a Malaysian Studies base within Australia as well as a lead node for an international network.

The University also sent 250 undergraduate students to partner institutions in the Asia Pacific to undertake a range of short-term, semester and year-long study programs. Of these students, 15 were funded by the Australian Government's New Colombo Plan.

### New Global Malaysian Studies Network at ANU

In 2014, ANU and the National University of Malaysia (UKM) signed a new Memorandum of Understanding that will increase educational links and collaboration between Australia and Malaysia, as well as pave the way for a new Global Malaysian Studies Network at the University. While acting as a Malaysian studies base in Australia, the network will also provide a coordination point for other universities across the globe.

"Australia has more long-standing institutional and people-to-people ties with Malaysia than with any other Asian neighbour," Vice-Chancellor Professor Ian Young AO said.

"Many of the most highly regarded academic works on Malaysian history, politics, economics, sociology and law have been written by Australians or in Australian universities – many at ANU.

"I welcome the establishment of the Global Malaysian Studies Network at ANU and thank the Malaysian Government for their generous support – without which none of this would be possible."

As part of the network, ANU will also work with UKM to establish a senior academic position in Malaysian studies at the ANU College of Asia and the Pacific, to commence in 2015. This represents a co-investment between ANU and the Government of Malaysia.

# EMBEDDED ACCESS AND EQUITY

TABLE 12: DOMESTIC STUDENT ENROLMENTS BASED ON SES 2012–2014

Equity Australia SES	2012	2013	2014
High	10,234	10,431	11,025
Low	598	670	722
Medium	3,193	3,472	3,526
Unknown	206	307	348
<b>Grand Total</b>	<b>14,231</b>	<b>14,880</b>	<b>15,621</b>

2014 data are provisional.

TABLE 13: DOMESTIC INDIGENOUS STUDENT ENROLMENTS 2012–2014

Program Career	Indigenous Indicator	2010	2011	2012	2013	2014
Postgraduate	Indigenous	76	69	62	77	94
	Non-Indigenous	5,684	5,990	6,554	7,213	7,986
Undergraduate	Indigenous	78	86	88	84	78
	Non-Indigenous	7,970	7,985	8,149	8,149	8,130
<b>Grand Total</b>		<b>13,808</b>	<b>14,130</b>	<b>14,853</b>	<b>15,523</b>	<b>16,288</b>

2014 data are provisional.

TABLE 14: GENDER DISTRIBUTION OF STUDENT ENROLMENTS 2010–2014

Program Career	Gender	2010	2011	2012	2013	2014
Postgraduate	F	4,268	4,749	5,125	5,653	6,426
	M	4,126	4,315	4,697	5,186	5,645
	U				1	4
Undergraduate	F	5,325	5,393	5,349	5,293	5,280
	M	5,018	5,024	5,077	4,980	5,000
	U					4
<b>Grand Total</b>		<b>18,737</b>	<b>19,481</b>	<b>20,248</b>	<b>21,113</b>	<b>22,359</b>

TABLE 15: STAFF GENDER DISTRIBUTION 2010–2014

Employment Category	Gender	2010	2011	2012	2013	2014
Academic	F	540	583	626	638	650
	M	1,087	1,105	1,133	1,151	1,076
Non-Academic	F	1,353	1,403	1,428	1,423	1,326
	M	1,023	1,071	1,090	1,087	999
<b>Grand Total</b>		<b>4,003</b>	<b>4,162</b>	<b>4,277</b>	<b>4,299</b>	<b>4,051</b>

A clear focus on gender equity and the advancement of women saw the establishment of the ANU Gender Equity Oversight Committee in 2014, which is chaired by the Vice-Chancellor. This focus brought results in the area of senior staff appointments with approximately 30 per cent of senior academic appointments and more than 60 per cent of senior professional appointments being women. At present, four out of seven College Deans are women, with three appointments made in 2014.

ANU contributed to the Workplace Gender Equality Agency's first large-scale reporting on gender equity indicators and workforce profiles

in 2014, which resulted in the Gender Equality Benchmarking Report. This will further inform ANU initiatives aimed at adopting industry best practices in the attraction, development and retention of women in higher education.

2014 also saw the launch of the ANU Gender Equity strategy. The strategy sets a clear focus on gender equity and the advancement of women through gender-equitable recruitment and promotion processes, gender representation on committees, gender-equity performance measures for Colleges and annual reporting requirements to university-wide committees.

## **Fellowship for gender equity in science**

Dr Julia Ellyard was presented with the inaugural Judith Whitworth Fellowship for Gender Equality in Science at ANU in November.

It is Australia's first major fellowship designed to support early- to mid-career scientists who have experienced significant career disruption as a result of maternity or parental leave.

"It's a very lovely thing to see a bright young person like Julia having an opportunity to do even better," said Emeritus Professor Judith Whitworth, after whom the award is named.

"What has excited me most is the fact that this local initiative has spread its tentacles all around the country with people in institutions talking about what they can do in a similar way.

"Society puts a lot of investment in training and educating these enormously talented people. We as a country can't afford to throw that talent away."

Dr Ellyard is an early-career researcher at The John Curtin School of Medical Research (JCSMR). She works in the department of Pathogens and Immunity looking at the causes of autoimmune diseases.

The Fellowship is based on merit and will provide Dr Ellyard, who has three young children, two years of salary plus research support of up to \$50,000.

"I feel very honoured to be the inaugural recipient of this fellowship. It will give me the security to focus on generating the results and data needed to further my career without the pressure of securing funding," Dr Ellyard said.

*Continued next page*

“It is hard coming back to work when you’ve got small children, it can take one to two years to get back to where you were before.

“I hope that this will be a long tradition of supporting early- to mid-career researchers to allow them to really focus on what they are best at.”

The period will enable Dr Ellyard to re-establish scientific projects, strengthen her track record and regain national and international competitiveness when applying for independent external research funding.

“In research, if people have had two to three years off in the last five years raising children, they are not competitive,” said Director of JCSMR, Professor Simon Foote.

“Julia is a fantastic researcher and the fellowship will allow her to build up her CV without having to worry about anything else and get back on track.”

The Fellowship is named in honour of Professor Judith Whitworth, past director of the JCSMR, and is supported by JCSMR, The John Curtin Medical Research Foundation, and the ANU Workplace Giving program.



Dr Julie Ellyard. Photo by Karen Edwards.

In 2014, ANU partnered with the Australian Indigenous Mentoring Experience to deliver a program of on-campus activities and mentoring support to more than 120 Indigenous high school students from 17 schools across Canberra City, Queanbeyan, Yass and Goulburn regions. The program has also engaged university student volunteer mentors, strengthening their relationship with Indigenous Australia and building valuable leadership skills.

ANU also partnered with the University of Canberra, ANU College and the NSW and ACT Departments of Education to develop the ACT Indigenous Success Project in 2014. A total of 225 students participated in the program with 83 sessions delivered in 12 schools over the year. Plans are continuing in 2015 with the development of a pathway program to be delivered in ACT partnership schools in 2015.

The University delivered a comprehensive program of local, rural and regional outreach and partnership activities aimed at enhancing university aspirations and academic outcomes among Indigenous, rural, regional and low socio-economic status students in 2014. The program included:

- > Eighty-one on- and off-campus programs were delivered to over 1,600 students from Years 7 to 12 across the University's 15 regional partnership schools.
- > More than 1,256 students from ACT partnership schools took part in homework centres, maths workshops, poetry slam workshops and annual SmArts programs delivered to Smith Family Learning for Life students.
- > Outreach to local Pasifika communities continued through school outreach, the annual Pasifika Camp and Vaka Pasifika. Just over 100 students were involved in these programs.

The provision of a diverse range of entry mechanisms for students is an essential tool for maintaining a diverse student population at ANU. As the University seeks to increase student load in a sustainable manner, alternative entry pathways also reduce the reliance on school leavers as the main source of student recruitment.

In 2014, two new diplomas providing entry pathways into Bachelor degrees were established: the Diploma of Computing and Diploma of Liberal Studies. Students will be able to enrol in these Diplomas in 2015.

An increase to numbers of students applying for entry using alternative pathways was seen in 2014.

The Principals' Recommendation Scheme, which offers early entry to domestic school leavers currently completing an Australian Year 12 or International Baccalaureate qualification in Australia, received 83 applications, resulting in 11 enrolments and seven deferrals. This was an increase from 2013 where only 50 applications were received.

Student load in the University's associate degree increased from 35 full-time equivalent students in 2013 to 45 in 2014.



## Visual Arts Portfolio Workshop

The Visual Arts Portfolio Workshop, developed by ANU in 2014, provides senior secondary students with admission information about tertiary visual arts and design arts programs, augmented by practical art making experiences typical of first-year undergraduate study.

The program is a schools-based outreach component of the existing ANU Regional Partnerships Program, which works collaboratively with 15 regional secondary schools to provide educational enrichment and aspiration building programs.

The Workshop aims to build aspiration in, and to academically support, low socio-economic status regional secondary school students who have the potential to enrol in tertiary visual or design arts courses. It recognises that these students may not aspire to participate due to a lack of awareness about the courses and how to apply for them. The program informs students and teachers about the portfolio and interview process for application; explains that admission to many of these courses does not require an Australian Tertiary Admission Rank; and raises awareness about scholarships.

In June and July 2014, the workshop ran in 12 partnership schools in regional south-east NSW. Alongside their teachers, groups of 15-25 students from Years 10-12 participated in a three-hour program, involving 220 students in total.

Before and after the program, students were asked to indicate their interest in going to university. The 11 per cent of students who indicated a very low level of interest in university before participating (circling one or two), were, on average, 37 per cent more interested (circling numbers up to eight) in going to university after participating in the program.





# EFFECTIVE ORGANISATION

## Policies & procedures

2014 saw the University continue to build its capabilities to become a more efficient and effective organisation. In September 2014, digitisation software company, Intelledox, donated its flagship software, Infiniti, to the University. This donation, valued at \$1 million, is helping to transform the University's administrative practices through the digitisation and streamlining of business processes. The adoption of Infiniti enabled the rapid overhaul of administrative approval processes for travel, consolidating disparate processes into one streamlined application fully integrated with the University's core enterprise systems. The cost of the existing paper-based travel administration was estimated at more than \$2.2 million per annum, making administrative improvement in this area a significant achievement.

The evolution of the ANU College structure continued in 2014 with colleges supporting the plan to centralise financial processing across the University. Implementation of this new structure has begun and will be finalised by mid-2015. This change is expected to result in considerable efficiencies and cost savings for the University. Other functional areas of the University will also be the subject of review to identify ongoing efficiencies and better service delivery.

To develop policies and procedures that are clear and effective, the University has undertaken a project to revise its Policy Governance Framework. The new framework will establish a foundation from which policies and procedures can be effectively developed, implemented and periodically reviewed, and which builds in processes for enhanced quality assurance. Coupled with this, the University will re-engineer its existing online policy repository, with a view to enhancing it as a communication tool and improving accessibility for staff and students. This new solution will leverage other enterprise technologies being implemented across the University for electronic document management and web content management.

Accompanying these initiatives is a major review of the University's Delegations Framework with the objective of delivering, over the course of 2015-16, a simplified delegations environment with a readily accessible system to support University operations.

## Information systems

The University's Information and Communications Technology Committee (UICT) is charged with strategic oversight and funding approval of all major IT activity at ANU and met five times during 2014. At its final meeting of 2014, UICT approved two programs of work; firstly, a program of major IT projects to support education, research and administration business service improvements and innovations; and secondly, an IT Infrastructure lifecycle refresh to span 2015-2018 aimed at strengthening IT-based foundational services.

2014 saw the delivery of a number of major IT-based service improvements, including:

- > the introduction of a new Identity Management Platform for user management
- > the development of a submission management solution to support the Excellence in Research 2015 submission process
- > the deconsolidation of the University's core Student and Human Resources administrative systems and a lifecycle upgrade to the Human Resources system
- > end user computing support and technology improvements.

Additionally, an IT Strategic Planning initiative was commenced, through a consultation and engagement phase, with the University community to ascertain business requirements and inform future IT projects. Key emerging themes involve improved integration between the University's Enterprise Systems and a more holistic approach to enterprise architecture. Initial activity was commenced against these

themes through the appointment of an enterprise architect and the Service Improvement Group's preliminary investigation and planning of business requirements for improved data integration and governance.

Flagship IT-based activities for 2015 include implementation of a contemporary enterprise Research Information Management System; enhancement and extension of online learning systems and associated services; and business enhancements to core administrative support systems.

## Shared innovation

The creation of the Service Improvement Group has created a greater emphasis on the sharing of administrative innovation across the University. This was supplemented by data from both the UniForum benchmarking process and from the internal administrative satisfaction survey. The Service Division Directors and College General Managers meet to discuss administrative issues and share perspectives every month. This was supplemented in 2014 by creating a forum for School Managers to also discuss issues with the Executive Director, Administration and Planning. In November 2014, the Service Improvement Forum was conducted over a one-week period, with staff invited to attend one or more of 47 different sessions on service improvement projects currently in development or recently implemented at ANU.

During 2014, the Executive and Deans discussed the reconfiguration of services in Finance, Human Resources and Research Services and agreed on a consistent approach to rationalising those services across the University.

Another major element to shared innovation was the desire to standardise inconsistent practices and there have been a number of successes, such as consolidated procurement of desktops, staff recruitment processes and travel administration processes.

## Administrative review

As universities continue to face financial constraints, increasing regulatory demands and increased competition, it is more important than ever that the University's administrative services are effective in supporting education and research.

Various exercises over the last three years have provided clear evidence for the need to re-evaluate and transform administrative service delivery and the models employed in core operations support at ANU. These exercises have included Administrative Reviews (2012), Administrative Services Survey (2013/14), Budget Solutions Consultations (2013), Harnessing Service Capacity Study (2013) and Strategic and Operational Plans. UniForum benchmarking analysis (since 2012) also shows the cost of the University's administration (wFTE) is particularly high in comparison to other universities.

Using this evidence, the University is working to transform administrative services through structured programs of work, including the Service Improvement Program, Budget Solutions Package, University ICT Committee, Facilities and Services Program, Finance and Business Services Program, and Planning and Performance Measurement Program. Under these programs of work, projects have been delivered, or are in progress, that aim to result in an administration that is:

- > automated and paperless
- > consolidated and streamlined
- > driven by the customer's needs
- > supported by business intelligence and reliable data.

In 2014, approximately 25 processes and forms were streamlined, standardised and digitised as part of the Service Improvement Program.

Key projects delivered included a new automated process for requesting approval to travel, improved financial reporting for Chief Investigators, an online system for recruiting new staff and a more efficient system for financial planning and budgeting.

A considerable amount of work is currently underway and more substantial results will be visible by 2015. Major flagship projects underway include an Electronic Records Management System, data integration and Higher Degree by Research administrative support.

### **Intelledox Digital Transformation Centre**

In September 2014, digitalisation software company, Intelledox, donated its flagship software, Infiniti, to the University.

To support the donation, the Intelledox Digital Transformation Centre was established within the University's Service Improvement Group. This centre will work closely with business areas to coordinate the design and delivery of automated and streamlined business processes with the long-term goal of ongoing administrative improvement.

Infiniti has already been used to digitise travel approval administration, replacing a manual process (consisting of 10 paper-based forms) into one streamlined application that fully integrates with the University's core enterprise systems. The University currently spends around \$2 million a year on administering its travel for staff and students and the new process will save the University around \$500,000 a year over the next five years.

Released to staff in November, the new business process (based on policy procedural rules) guides the traveller through the Travel Approval eForms and routes these applications to supervisors and delegates for approval. Travel approval information is also pushed to Finance and HR systems.



Intelledox owners and ANU graduates Michelle Melbourne (left) and Phillip Williamson with former ACT Chief Minister Katy Gallagher.

# HIGH-QUALITY INFRASTRUCTURE

ANU is well on track to meeting its goal of providing high-quality infrastructure. In the past year, the University completed the construction of the architecturally innovative the Australian Centre on China in the World building and the refurbishment of the original John Curtin School of Medical Research, now called the Florey Building. ANU also continued to develop its Maintenance Management Framework and contributed to the development of an Acton Masterplan in conjunction with other national and territory organisations.

ANU continues to invest in high-quality research infrastructure, including national collaborative infrastructure and equipment for the benefit of all Australian researchers.

In 2014, ANU launched a new national centre for research into Indigenous health, the National Centre for Indigenous Genomics. The centre will establish and manage a national collection of Indigenous biospecimens under Indigenous governance, which will be used to research important health questions facing Indigenous Australians. This facility is unique within Australia and, as the national university, ANU will continue to support and lobby for this important collection.

## Capital Management Plan

The Capital Management Plan helps guide the development and maintenance of ANU facilities. In 2014, the plan saw the extensive refurbishment of the original John Curtin School of Medical Research (building number 54). Occupants are progressively moving in and the building will be fully occupied in March 2015.

Refurbishment of Hancock West commenced and the refurbishment of the Craig Building continued.

In 2014, the following projects were approved to proceed over a four-year period, starting in 2015:

- > The ANU College of Arts and Social Sciences' new building which will co-locate a number of functions. The building is expected to be around 10,500 square metres in floor area. A user requirements gathering exercise has begun, with design development to commence in early 2015.
- > A new building for the Research School of Computer Science and Mathematical Sciences Institute.
- > Commencement of the Research School of Physics and Engineering Redevelopment – Stage 1 survey work began with planning and design set to progress in early 2015. Subsequent stages of this project, when approved, will rebuild much of the Physics precinct.

## Property maintenance

ANU has been pursuing opportunities to improve its maintenance management delivery function since 2012.

The University continues to implement its multi user list of contractors for minor works and maintenance. This mechanism supports the University's in-house capability for efficient maintenance delivery to a broad range of stakeholder partners in the Colleges and Schools on campus.

In February 2013, the University conducted a strategic review of its Maintenance Management Framework (MMF) and followed this up with initiatives to:

- > refine maintenance policy
- > enhance maintenance planning processes
- > integrate the Maintenance Management Framework into the maintenance function
- > consolidate a performance assessment framework for the accountable management of maintenance service delivery
- > improve the level of systems support for delivering maintenance.

The MMF aims to foster efficient and effective maintenance delivery that provides value for money to the University whilst allowing a level of flexibility to evolve and change over time.

## Information Infrastructure Assets Management Plan

Several Information Technology Services activities occurred in 2014 to support the development of an Assets Management Plan. Key to this was the development of an ANU IT Strategy to provide the overarching structure and direction for the investment and management of IT assets for the University.

2014 saw the introduction of the ANU Workspace Program, which was designed to ensure full asset management lifecycle support for the centrally managed IT fleet of personal computers used by ANU staff and students. This Program includes an integrated solution, configured into the University's IT Service Desk platform, which enabled a new support model for IT asset management, allowing the provision of end-to-end services, including integrated IT change management. This platform offers a single repository to track assets from procurement through deployment to end of life, including software licence audit and compliance. Work has commenced on adding relevant data to this repository.

Another key asset management activity for 2014 was the engagement of Ernst and Young to perform an Activity-Based costing review of the University's Enterprise Resource Planning software suite (i.e. PeopleSoft, which underpins the HR, Finance and Student Enterprise Systems). The review allowed greater insight into the capital and operational expenditure of these systems in comparison to other institutions. This will ensure that future investments can be made with a clear understanding of the current costs paid by the University for these services.

An internal audit was performed on the University's Enterprise Systems, which will inform the development in 2015 of a product lifecycle plan for these systems.

## Partnership with business

ANU Exchange is located between ANU and Canberra's Civic Centre and offers a mix of activities in the one precinct. In addition to the ANU School of Art and School of Music, Llewellyn Hall, the National Film & Sound Archive, Drill Hall Gallery and the Street Theatre, the commercial and retail offerings within the precinct have continued to develop and expand during 2014 with a number of new retail operations opening in the precinct.

In addition to the continued development of the ANU Exchange, in 2014 the University also commenced discussions with an external provider to develop and operate a new child care centre on campus. It is expected this will be operational in early 2016.

The Acton Peninsula Masterplan is an initiative being undertaken to consider the development opportunities and to better align the current disparate activities in the Acton peninsula precinct. The master planning activity is a cooperative project between the National Capital Authority, ACT Government, Museum of Australia, Australian Institute of Aboriginal and Torres Strait Islander Studies, and ANU. Currently, there are a number of activities in the area; however, access, integration and opportunities are not being realised for the community. The proposed ACT Government development of the West Basin is a catalyst for the development of this integrated masterplan which will be completed in 2015.



## Australian Centre on China in the World

Completed in 2014, the Australian Centre on China in the World is housed in a new building that has reinterpreted and transformed Chinese architectural forms and elements into language sympathetic to the Australian environment.

Designed by Beijing-based architect Gerald Szeto and Canberra firm Munns Sly Moore, the sleek, minimalist building features windows with geometric pinwheel patterns, splashes of red and blue, and a split level garden that reflects Canberra's four distinct seasons. The building won three ACT Architecture awards.

## The Florey Building

The original John Curtin School of Medical Research building (previously called building 54) was adaptively reused and refurbished during 2014 and will accommodate several key science faculties. This project included significant retention of the original fabric, interpretation and the restoration of over \$100,000 of original furniture designed by Fred Ward and the ANU Design Unit.



# BROAD RESOURCE BASE

In addition to diversifying its revenue growth through business and industry engagement, philanthropic support and coursework education and training, ANU has improved its resource base through research and consultancy income.

Medical research at ANU sparked new approaches to funding during the year, including:

- > The inaugural Centenary Chair in Cancer Research was announced with funding from the ACT Government to support research into new cancer treatments and collaborations across medical specialists and scientists.
- > The Centre for Personalised Immunology

was launched, attracting funding from the National Health and Medical Research Council, and establishing an endowment under the ANU Endowment for Excellence, and an advisory Board to focus on commercial opportunities and industry funding.

With funding from the Department of Foreign Affairs and Trade's Global Partnerships for Development Program, this year saw the start of a three-year collaborative program across ANU and the University of Yangon in Myanmar to deliver short courses and establish a population research centre to strengthen Yangon's applied research and policy advice capabilities

## **ANU builds social research**

ANU launched the new Australian Centre for Applied Social Research Methods (AusCen) following the acquisition of renowned polling and research organisation, the Social Research Centre, by ANU Enterprise.

The new centre will draw on the expertise of the SRC, combined with the applied social research, social policy, health and education expertise from across ANU to enhance the University's ability to contribute to understanding Australian community views, and to analyse, develop and inform public policy.

"The establishment of AusCen ensures ANU will build further on its already outstanding team of researchers and graduate students in social research methodology, applications and techniques," said Vice-Chancellor Professor Ian Young AO.

"It also continues to fulfil the University's mission of addressing topics of national importance. It is the embodiment of the purpose of our national university."

The University has had a long-standing working relationship with the SRC, which has carried out social research for ANUpoll since it was established in 2008.

Social Research Centre Chief Executive Officer Darren Pennay said academics previously had relatively little involvement in developing social research methods in Australia.

"The creation of AusCen and the commercial alignment between AusCen and the Social Research Centre changes all of that. It is a giant win for the advancement of social research methods in this country and fills a gap in the Australian social research landscape" he said.





# **Management & Accountability**

# CORPORATE GOVERNANCE

*This statement has been prepared to comply with the Requirements for Annual Reports 24 June 2013 and the Information Publication Scheme (see Part II of the Freedom of Information Act 1982).*

# OVERVIEW

The Council serves as the governing authority of The Australian National University. In 2014, the Council initiated and engaged in a series of assessment and review processes to ensure that the University continues to be the flagship Australian university in terms of standards of corporate and academic governance.

In February 2014, the Council assessed and reaffirmed its view that the University is in compliance with the *Voluntary Code of Best Practice for Governance of Australian Universities*. Further, the University remains of the view that it complies with section 3 of the *Higher Education Standards Framework (Threshold Standards) 2011* regarding corporate and academic governance.

During 2014, the University also sought to benchmark itself against the *Corporate Governance Principles and Recommendations* of the ASX Corporate Governance Council (to the extent that they are applicable). The University assessed itself as having solid foundations of good governance in place with governance arrangements consistent with the ASX principles. In a limited number of areas, the University has identified some opportunities for improvement and will seek to address these in 2015. This self-assessment was affirmed by the subsequent findings of the government review of the *Australian National University Act 1991*, which was commissioned by the Australian Government in the second half of 2014, and the governance arrangements contained within it. This review was led by Emeritus Professor Sally Walker of Deloitte. The University welcomed the review as an opportunity to renew the Act and to further improve standards of governance. The Walker Review was completed and delivered to the Minister for Education in December 2014. The Government's reaction to the review's findings will be the subject of detailed consideration by the Council in 2015.

# COUNCIL'S STRATEGIC FOCUS

The University's strategic direction is the subject of full-day consideration at the annual Council Retreat, which in 2014 was held in Canberra in February. This is supplemented by ongoing discussions throughout the year by Council. A rolling forward agenda of strategic discussion topics is maintained to ensure that the Council steers the University with considered regard for emerging strategic opportunities and challenges.

Council's strategic discussions in 2014 considered the issue of deregulation of the higher education sector, the ANU business model, the performance culture of the University, international student markets and diversity, research renewal, education and its impact on shaping national public policy, administrative service improvement, and alumni relations and philanthropy.

In 2014, the Vice-Chancellor and the Council put in place a process to review the current University strategic plan, *ANU by 2020*, to ensure the University is best placed to respond to the challenges of the coming decade, particularly in a student fee deregulated environment. An *ANU by 2025* strategic plan will be adopted by Council in 2015.

# FUNCTIONS OF THE UNIVERSITY

ANU is a research-intensive education institute, established by an Act of the Commonwealth Parliament in 1946. *Section 5 of the Australian National University Act 1991* specifies the functions as:

- > advancing and transmitting knowledge, by undertaking research and teaching of the highest quality
- > encouraging, and providing facilities for, research and postgraduate study, both generally and in relation to subjects of national importance to Australia
- > providing facilities and courses for higher education generally, including education appropriate to professional and other occupations, for students from within Australia and overseas
- > providing facilities and courses at higher education level and other levels in the visual and performing arts, and, in so doing, promoting the highest standards of practice in those fields
- > awarding and conferring degrees, diplomas and certificates in its own right or jointly with other institutions, as determined by the Council
- > providing opportunities for persons, including those who already have post-secondary qualifications, to obtain higher education qualifications
- > engaging in extension activities.

In the performance of its functions, the University must pay attention to its national and international roles and to the needs of the Australian Capital Territory and the surrounding regions.

# COUNCIL

The Council is established under section 8 of the *Australian National University Act 1991* as the governing authority of the University.

## Responsibilities

The Council is conferred the power to control and manage the entire University under section 9 of the *Australian National University Act 1991*. However, save for matters that the Act prescribes cannot be delegated, the management control of the University is delegated to the Vice-Chancellor.

The responsibilities of the Council may be described, consistently with the Voluntary Code of Best Practice for the Governance of Australian Universities, in summary form as follows:

Strategic oversight:

- > approving the mission and strategic direction of the University
- > ensuring that the vision and goals are turned into effective management systems
- > monitoring the implementation of the strategic plan.

Ensuring effective overall management:

- > appointing the Vice-Chancellor and monitoring his or her performance
- > overseeing and reviewing overall management performance
- > monitoring the academic activities and performance of the University.

Ensuring responsible financial and risk management:

- > approving the annual budget
- > approving and monitoring systems of control and accountability
- > overseeing and monitoring the assessment and management of risk
- > ensuring the University's compliance with legal requirements.

## Composition

The Council comprises 15 members who hold membership by virtue of either appointment, election or their office. The following table details the membership of the Council throughout 2014:

Position	Incumbent	Status	Original Appointment Date	Expiry Date of Current Term
Chancellor (appointed by Council)	Professor the Hon Gareth Evans AC QC	External	1 January 2010	31 December 2015
Vice-Chancellor (appointed by Council)	Professor Ian Young AO	Internal	1 March 2011	29 February 2016
Seven members appointed by the Minister	Ms Ilana Atlas (Pro-Chancellor)	External	1 July 2004	30 June 2014
	Ms Robin Hughes AO (assumed role of Pro-Chancellor 1 July 2014)	External	1 July 2004	30 June 2017
	Dr Vince FitzGerald	External	1 July 2004	30 June 2014
	Ms Martine Letts	External	1 July 2004	30 June 2014
	Dr Doug McTaggart	External	21 June 2012	30 June 2016
	Professor Suzanne Cory AC	External	1 July 2014	30 June 2018
	Mr Patrick Dodson	External	1 July 2014	30 June 2018
	Ms Naomi Flutter	External	1 July 2014	30 June 2018
	Mr David Miles AM	External	28 June 2006	30 June 2016
	Mr Graeme Samuel AC	External	1 August 2011	31 July 2015
Elected Dean or the Head of a Research School	Professor Andrew MacIntyre	Internal	30 September 2012	16 March 2014
	Professor Stephen Bottomley	Internal	17 March 2014	29 September 2014
	Professor Matthew Colless	Internal	30 September 2014	29 September 2016
Elected Academic Staff Member (The Faculties)	Professor John Close	Internal	30 September 2012	29 September 2014
	Dr Karen Hussey	Internal	30 September 2014	29 September 2016
Elected Academic Staff Member (IAS)	Professor Tim Senden	Internal	30 September 2012	29 September 2016
Elected General Staff Member	Mr Matthew King	Internal	27 May 2010	25 May 2016
Elected Undergraduate Student Member	Mr Cameron Wilson	Internal	1 December 2013	30 November 2014
	Mr Benjamin Gill	Internal	1 December 2014	30 November 2015
Elected Postgraduate Student Member	Mr Arjuna Mohottala	Internal	30 May 2013	29 May 2014
	Mr Benjamin Niles	Internal	30 May 2014	29 May 2015

## Current Council members

Council members as at 31 December 2014.

### Chancellor – Professor the Hon Gareth Evans AC QC

BA LLB(Hons) *Melb*, MA *Oxon*, Hon LLD *Melb*,  
*Syd*, *Carleton*, *Queen's Ont*, FASSA, FAIA



Gareth Evans is a Fellow of the Foreign Policy Association; President Emeritus of the Brussels-based International Crisis Group, of which he was President from 2000-2009; Co-Chair of the International Commission

on Nuclear Non-Proliferation and Disarmament and an Inaugural Fellow of the Australian Institute of International Affairs in recognition of his outstanding contribution to Australian international relations. He is a former Cabinet Minister in the Hawke and Keating Governments from 1983-96 (Attorney-General, Minister for Resources and Energy, Minister for Transport and Communications, and Foreign Minister); former Leader of the Government in the Senate, and Deputy Opposition Leader. He has chaired and been a member of many other international panels, commissions and advisory boards, has written or edited nine books, and won a number of international awards, including the 2010 Roosevelt Institute award for Freedom from Fear.

### Vice-Chancellor and President – Professor Ian Young AO

BE(Hons) MEngSc PhD *JCU*, HonFIEAust, FTSE



Prior to ANU, Ian Young was Vice-Chancellor of Swinburne University of Technology for seven years (2003 to 2011). In 2014 he was elected Chair of the Group of Eight (Go8) Board of Directors. Professor Young's research interests are

in coastal and ocean engineering and physical oceanography. He has a distinguished academic career, having published three books and more than 100 refereed papers. He has had sustained research support from the Australian Research Council and has been a consultant to the US Navy and the offshore oil and gas industry in Australia, Asia and North America.

### Pro-Chancellor – Ms Robin Hughes AO

BA MA *Syd*



Robin Hughes is an independent film-maker and currently Managing Director of Chequerboard Productions. She has worked as a producer, writer and director in the film and broadcasting industry, for the BBC, the ABC, commercial

television and as a freelancer. Her work has been characterised by innovation and has won many awards. As CEO of Film Australia during the nineteen eighties, she undertook a major, successful restructuring of that organisation. She has served as Chair of the Council of the Australian Film, Television and Radio School, a director of the Bangarra Dance Company and currently as Chair of Performing Lines.

### Mr David Miles AM

LLB *Melb*, HonLLD *UQ*



David is a former President of the Law Institute of Victoria and the Law Council of Australia. He is a practising lawyer, company director and executive coach. From 1991 to 1997 he was Chief Executive and national Managing Partner of Corrs

Chambers Westgarth.

David is currently Chairman of Uniseed Management Pty Limited and Legal Super Pty Ltd, and is a member of the Advisory Board

of Connecting Australian European Science & Innovation Excellence and the Australian Research Committee (ARCOM). He is also Chairman of the Australian Motor Sports Appeal Court. In 2014 David was appointed to review the Australian Government's Co-operative Research Centre programme.

He has previously served as Chair of a variety of Australian Government bodies associated with research, industry and innovation, including six years as Chair of Innovation Australia. In 2003 he was awarded the Centenary Medal.

#### **Dr Doug McTaggart**

BEd(Hons) *ANU*, MA PhD *Chicago*, HonDUniv *QUT*, FAICD, FAIM



Doug McTaggart recently retired after 14 years as the Chief Executive of QIC, a leading institutional investment manager. He has previously served as Under Treasurer and Under Secretary of the Queensland Department of Treasury and

as Professor of Economics and Associate Dean at Bond University. He is currently a Councillor on the National Competition Council, a member of the COAG Reform Council, the Chair of the Queensland Public Service Commission, and a member of the Suncorp Board and Audit Committee.

#### **Mr Graeme Samuel AC**

LLB *Melb*, LLM *Monash*, FAICD



Graeme Samuel is a distinguished Australian, most notable for his membership of the National Competition Council from 1995 and Presidency of the Council from 1997-2003, followed by his appointment to the position of Chairman of the

Australian Competition & Consumer Commission in 2003, which he held until July 2011. He is

currently Chairman of the Victorian Taxi Services Commission, National President of Alzheimer's Australia, a Commissioner of the Australian Rugby League Commission, and Co-Director of the Monash Business Policy Forum. In 2003 he was awarded the Centenary Medal. In 2014, he was appointed by the Australian Government to lead the review of independent Medical Research Institutes.

#### **Professor Suzanne Cory AC**

BSc *Melb*, MSc *Melb*, PhD *Cambridge*, HonDSc *Syd*, HonDSc *Oxford*, FAA, FRS



Suzanne Cory is one of Australia's most distinguished molecular biologists. She was Director of the Walter and Eliza Hall Institute and Professor of Medical Biology of the University of Melbourne from 1996 to 2009. She is currently a Vice-Chancellor's

Fellow of The University of Melbourne and an Honorary Distinguished Professorial Fellow in the Molecular Genetics of Cancer Division of the Walter and Eliza Hall Institute. Professor Cory was President of the Australian Academy of Science from 2010 to 2014. She was the first Australian to be elected an Honorary Member of the Japan Academy in 2013. In 2009 she was awarded the French decoration of Chevalier de l'Ordre de la Légion d'Honneur.

#### **Mr Patrick Dodson**

Hon LLD *Melb*, Hon LittD *UNSW*



Patrick Dodson is one of Australia's most prominent Indigenous leaders and now Adjunct Professor at the University of Notre Dame, where he lectures in Spirituality and the Challenge of Reconciliation. He is also Chair of the Yawuru

Native Title Company Nyamba Buru Yawuru Ltd, and a Director on the Yawuru PBC Board. Living in Broome, Western Australia, he is also



a former Director of the Central and Kimberley Land Councils, was a Royal Commissioner into Aboriginal Deaths in Custody, and for six years was the inaugural Chair of the Council for Aboriginal Reconciliation. He has also co-chaired the expert panel on the constitutional recognition of Aboriginal and Torres Strait Islander peoples.

### **Ms Naomi Flutter**

*MPP Harvard, LLB(Hons) BEc(Hons) GDLP ANU*

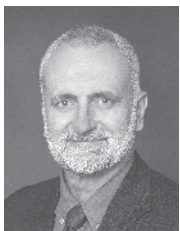


Naomi Flutter is the head of Deutsche Bank's Global Transaction Banking division for Australia and New Zealand, having worked for Deutsche Bank since 1998. In this capacity she is responsible for the delivery of the Bank's wholesale

and corporate banking products and services to local clients. She has also worked for the United Nations High Commissioner for Refugees and in refugee camps in Kenya and Nepal. In 1996, she received the Foundation for Young Australians' Sir Edward "Weary" Dunlop Memorial Award, which part-funded her Master of Public Policy at Harvard University's Kennedy School of Government.

### **Professor Matthew Colless**

*BSc Sydney, PhD Cambridge, FAA, FRAS*



Matthew Colless is the Director of the ANU Research School of Astronomy and Astrophysics. He previously held the position of Director of the Australian Astronomical Observatory for a period of nine years.

He has also held positions

at Durham and Cambridge Universities and Kitt Peak National Observatory in the USA. His research uses large redshift surveys of galaxies to understand their evolution, the large-scale structure of the universe, and the cosmological

model. He is a Fellow of the Australian Academy of Science, an Honorary Fellow of the Royal Astronomical Society, an ISI Citation Laureate, a Vice-President of the International Astronomical Union, and Vice-Chair of the Board of the Giant Magellan Telescope.

### **Dr Karen Hussey**

*BA Melb, MEconSc NUI, PhD Melb*



Karen Hussey is an Associate Professor and Public Policy Fellow at the ANU Fenner School of Environment and Society. Her area of expertise is in policy and governance relating to environmental sustainability, with particular interests in

designing and implementing policies in federal systems and the links between environmental regulation and international trade. Prior to her current appointment, she spent a number of years in Brussels as the ANU Vice-Chancellor's Representative in Europe, where she was responsible for developing the University's research relationships and profile with European research teams and institutions.

### **Professor Tim Senden**

*BSc(Hons) PhD ANU*



Tim Senden is the Head of the ANU Department of Applied Mathematics and Deputy Director (Technology Development) of the ANU Research School of Physics and Engineering. His area of expertise is in experimental surface science, which

he uses to teach undergraduate chemistry and to investigate surface phenomena at the nanometre scale, covering topics including the stretching of single polymer chains, mechanical deformations in biological membranes, ceramics processing and measuring forces

on nanoparticles. He has also been involved in developing novel uses of radioactive nanoparticles to aid medical diagnosis. Professor Senden has also served as Chair of the ANU Kioloa Advisory Board, a member of the University's Electron Microscopy Management Committee, of the ANU Academic Board and as part of the National Youth Science Forum.

### Mr Matthew King



Matthew King is a Technical Officer in the ANU Research School of Biology, specialising in the design, construction and maintenance of electrical and refrigeration research equipment primarily used in plant science. He held a similar position at the

University of Western Australia for nine years.

### Mr Benjamin Gill



Benjamin Gill is the 2014/15 President of the ANU Students' Association (ANUSA). He is currently completing a Bachelor of Engineering and Science, majoring in renewable energy systems and interdisciplinary studies. Prior

to his commencement as President, Ben was the ANUSA Queer Officer in 2014 and an intern at AECOM as part of the Buildings and Applied Research Sustainability group throughout 2013. He is heavily involved in the mental health sector, having been involved in the ACT Headspace and Young and Well Cooperative Research Centre youth representative groups, and the organising committee for ACT Mental Health Week. Upon completion of his Bachelor degree Ben is looking to complete a Masters in Public Health and/or Business before commencing a PhD in Mental Health and Technology.

### Mr Benjamin Niles

BComm *Monash*



Benjamin Niles is the 2014/15 President of the ANU Postgraduate and Research Students' Association (PARSA). He studied at Melbourne High School and went on to complete a Bachelor of Commerce at Monash University. In 2013

he commenced a Juris Doctor with the ANU College of Law. Prior to commencement at ANU, he worked as an auditor for Pricewaterhouse Coopers and as a Coordinator for the not-for-profit tutoring organisation Embrace Education. Ben also sits on the Board of Fellows for University House at ANU. Upon completion of his degree he is looking to practise law and work as a consultant in the education sector.

## Non-current Council members

Council members whose term concluded in 2014.

### Pro-Chancellor – Ms Ilana Atlas

BJuris LLB(Hons) *WAust*, LLM *Syd*

Ilana Atlas is a non-executive Director of the Westfield Group, Coca-Cola Amatil Limited and Suncorp Group Limited, Chair of the Bell Shakespeare Company and a member of Chief Executive Women. She is also a Director of the Human Rights Law Centre and the Treasury Corporation of New South Wales. She commenced her career as a solicitor, and from 1985 to 2000 she was a Partner with Malleson Stephen Jaques specialising in corporate law. In 2000 Ms Atlas joined Westpac Banking Corporation as Group Secretary and General Counsel, and from 2003 until her retirement in 2009 was Group Executive, People. In this latter role Ms Atlas was responsible for human resources across the Westpac Group and for corporate affairs, including internal and external communications, government relations and sustainability.

### **Dr Vincent FitzGerald**

BEC Q/d, PhD *Harv*, FIPAA, FAICD

Vince FitzGerald is now a Director (formerly Chairman) of the Allen Consulting Group, a leading consultancy in public policy and economics, which he jointly established in 1989. Prior to this, Dr FitzGerald was a senior Australian Government official, working in the Treasury, Industries Assistance Commission, the Departments of Prime Minister and Cabinet, Finance (Deputy Secretary), Trade (Secretary) and Employment and Education and Training (Secretary). He is a director of ETF Securities Ltd, a trustee of the National Gallery of Victoria, a Victorian State Councillor of the Australian Institute of Company Directors, a member of CEDA's Research and Policy Council and the Industry Advisory Committee for the Melbourne Centre for Financial Studies. He currently serves as Chair of the ANU Endowment for Excellence Board of Governors.

### **Ms Martine Letts**

BA(Hons) *ANU*, MAICD

Martine Letts is the current Chief Executive Officer of the Australia China Business Council, a role she has held since 2013. From 1983-2000 she was an Australian diplomat and policy adviser to the Australian Government, including periods as Australian Ambassador to Argentina, Uruguay and Paraguay. She was a departmental policy adviser to former Foreign Minister Gareth Evans, and Deputy Head of Mission and Australian Deputy Permanent Representative to the International Atomic Energy Agency in Vienna. She is a member of the Advisory Board of the International Commission on Nuclear Non-proliferation and Disarmament. From 2001-2004 she was Secretary General of the Australian Red Cross, and from 2005-2013, she was the inaugural Deputy Director of the Lowy Institute of International Policy.

### **Professor Andrew MacIntyre**

BA(Hons) MA PhD *ANU*, FASSA

Andrew MacIntyre was Professor of Political Science at ANU, where he also served as Dean of the ANU College of Asia & the Pacific and Director of the Research School of Asia & the Pacific (2008-2014), and earlier as founding Director of the Crawford School of Public Policy (2002-2009). He is currently the Deputy Vice-Chancellor International and Vice-President of RMIT University. He is a Fellow of the Academy of Social Sciences in Australia, and has published widely on Southeast Asian politics and, more recently, enhancing international relations in the Asia-Pacific region. He is the recipient of the Japanese Foreign Minister's Commendation for contributions to the promotion of relations between Japan and Australia (2006) and also a recipient of the Presidential Friends of Indonesia award (2010).

### **Professor Stephen Bottomley**

BA LLB(Hons) *Macq*, LLM *UNSW*

Stephen Bottomley is Professor of Commercial Law and Dean of the ANU College of Law. Prior to commencing the Deanship in January 2013, he served in the ANU College of Law in a number of capacities, including as Sub-Dean (1993-1995); Director, Graduate Program in Law (2000-2002); Chair, Undergraduate Studies Committee (2002-2004); Associate Dean and Head of School (2005-2009); and Head of School (since 2011). He was the inaugural Director of the College's Centre for Commercial Law (1998-2005). His book *The Constitutional Corporation: Rethinking Corporate Governance* (2007) was awarded the Hart Socio-Legal Book Prize for the most outstanding piece of socio-legal scholarship.

### **Professor John Close**

BSc, PhD *UCBerkeley*, SFHEA

John Close is Deputy Director (Education) of the ANU Research School of Physics and Engineering. He was a postdoctoral fellow at the University of Washington, Seattle from 1991 to 1994 and an Alexander von Humboldt Fellow and

Max Planck Fellow at the Max Planck Institut für Strömungsforschung in Göttingen from 1994 to 1998. He returned to Australia and was awarded a Queen Elizabeth II Fellowship in 2000.

### **Mr Cameron Wilson**

Mr Wilson was the 2013/14 President of the ANU Students' Association. He is currently studying a Bachelor of Arts/Bachelor of Science (Political Science/Psychology). Mr Wilson grew up in Sydney, went to Knox Grammar School and started studying at ANU in 2009. He is looking to pursue a career in advocacy or organisational psychology after university.

### **Mr Arjuna Mohottala**

BSc(Hons) UK, MA USQ, MDEC ANU,  
ACMA, CPA

Arjuna Mohottala was the 2013-14 President of the ANU Postgraduate and Research Students' Association. He is reading towards a PhD in Economics focusing on commodity cycles. Prior to arriving at ANU, Arjuna was a Senior Economist at the Central Bank of Sri Lanka. In Sri Lanka, he was actively involved in the Rotaract movement (the youth arm of Rotary International) and headed the movement in 2009-10 immediately after the cessation of the hostilities within the country.

## **Appointments & elections to Council**

In 2014, the Council saw considerable turnover in its membership. Pro-Chancellor, Ms Ilana Atlas, Dr Vince FitzGerald and Ms Martine Letts all retired, as ministerial appointment members, after a decade of service to the Council. The Minister for Education appointed, on the recommendation of the Nominations Committee, three new outstanding members to the Council: Professor Suzanne Cory AC, Mr Patrick Dodson and Ms Naomi Flutter. In addition, the Minister reappointed Ms Robin Hughes AO and Mr David Miles AM. Council appointed Ms Hughes the new Pro-Chancellor of the University.

The two-year terms of elected staff members of the Council also expired in 2014. Professor Matthew Colless and Dr Karen Hussey were elected, and Professor Tim Senden and Mr Matthew King were re-elected for a further two-year term. Council also welcomed new undergraduate and postgraduate student members Mr Benjamin Gill (ANUSA) and Mr Benjamin Niles (PARSA).

## **Council member induction & development**

An induction program is organised for new Council members that includes one-on-one meetings with the Chancellor, Vice-Chancellor, Deputy Vice-Chancellors, Executive Director (Administration & Planning), Chief Financial Officer, Legal Counsel and the Director, Corporate Governance & Risk Office. New Council members are provided with a comprehensive induction kit incorporating key institutional and strategic documentation, including the Council Members Handbook, copies of relevant legislation, the ANU strategic plan, prior year Annual Report, Code of Conduct, and minutes of Council's previous strategic retreat.

As part of the induction process, new and reappointed/elected Council members complete a disclosure and declaration form that details all potential conflicts of interest. In addition, the University executes a *Deed of Indemnity and Access* for each member of the Council.

Council members are encouraged to undertake professional development activities. In the evaluation of a Council member's performance, if a skills gap is identified, the Chancellor will discuss with the member such resources and training as might be provided to assist.

Council members have also attended the *National Conference on University Governance* (organised by the University Chancellors Council) and the *Good Governance for the Tertiary Education Sector Conference* (organised by the Australian Institute of Company Directors and the

Association for Tertiary Education Management). Pro-Chancellor Robin Hughes was a keynote speaker at the latter forum.

## Council performance evaluation

Council evaluates its performance on a biennial basis in line with the *Voluntary Code for Best Practice for the Governance of Australian Universities*. The Code recommends that “at least once each two years, the governing body should assess its performance, the performance of its members and the performance of its committees. The Chancellor should have responsibility for organising the assessment process, drawing on external sources if required.”

Council evaluated its performance in February 2013 and is scheduled to again evaluate its performance in early 2015.

The Council has adopted the following methodology for the evaluation of its performance:

- > The Chancellor conducts one-on-one conversations with Council members with the aim of giving and receiving feedback on individual performance, getting a sense of members’ degree of comfort or otherwise with present Council structure and processes, and discussing any other issues of concern, or interest, relating to the strategic direction of ANU.
- > The Chancellor tables a report summarising the major issues and themes discussed over the course of the one-on-one meetings with Council members.
- > Council discusses this report at its annual strategic retreat.

## Succession planning

In 2004, the Council adopted a set of guidelines for the Nominations Committee of Council, to embody and supplement the statutory requirements set out in Section 10 of the *Australian National University Act*

1997. The guidelines place an expectation on the Nominations Committee that nominees recommended to the Minister for membership to Council will include:

- > at least two of the members who must have a high level of relevant financial expertise
- > at least one member who must have a high level of relevant commercial expertise
- > a desirable balance of skills, expertise and gender amongst the members of Council
- > people who must have an appreciation of the values of the University and its core activities of teaching and research, its independence and academic freedom, and the capacity to appreciate what the University’s external community needs from it.

In addition, the guidelines explicitly exclude from consideration any person who is:

- > a member of any parliament in Australia
- > a member of staff of the University
- > a student of the University
- > a member of the Nominations Committee itself.

In 2014, Council also adopted the following principles to further guide succession planning for Council’s membership:

- > the need to ensure a level of continuity within its membership such that, where possible, members’ terms of office should overlap
- > the importance of achieving gender equity in Council’s composition
- > the importance of representation from States and Territories in addition to New South Wales and Victoria to be factored into the balance of Council’s composition
- > the imperative to have an Indigenous member of Council by 2016
- > the need for renewal, with Council members normally serving for a maximum of eight years.

This succession plan is currently being implemented, with some notable milestones already being achieved:

- > The Council's first Indigenous member, Mr Patrick Dodson, was appointed by the Minister on the recommendation of the Nominations Committee in July 2014.
- > Three long-term Council members retired on 30 June 2014, after each serving on Council for ten years. These members were replaced with three new members appointed by the Minister on the recommendation of the Nominations Committee.
- > The terms of the external members of the Council are now staggered over the coming four years to ensure a level of continuity.

## Meetings of Council

The Council met on six occasions in 2014, approximately every two months. The Chancellor presides at all meetings of the Council. In the absence of the Chancellor, the Pro-Chancellor presides.

The Chair is committed to ensuring that:

- > there is free and open debate
- > significant issues are debated adequately
- > all views are canvassed
- > all issues are treated fairly during debate
- > courtesy is observed at all times
- > business is conducted efficiently and expeditiously.

In general terms, Council decisions are not the subject of voting. Council conducts itself in a consultative and collegial manner, seeking consensus as a result of debate on an issue. In exceptional circumstances where clarity is sought, the Chair may invite Council members to vote on a matter.

Meetings of the Council are open (for non-confidential items) to observers – but only very occasionally is this opportunity taken up by staff, students or the media.

In 2014, Council continued its active program of site visits following Council meetings, assisting members in understanding the depth and variety of activity being pursued across the University. In 2014, Council visited the ANU College of Law, the Australian Centre on China in the World, the ANU Research School of Earth Sciences, the Canberra Hospital campus of the ANU Medical School, and the National Agricultural and Environmental Sciences precinct – a joint ANU-CSIRO collaboration, at Black Mountain.

# THE CHANCELLOR

The Chancellor is appointed by the Council under section 32 of the *Australian National University Act 1991*. It is the role of the Chancellor to:

- > lead Council in carrying out its role as the University's governing body
- > chair meetings of Council and ensure it operates effectively
- > establish the agenda in consultation with the Office of the Vice-Chancellor
- > regularly review, with the Vice-Chancellor, progress on important initiatives and significant issues facing the University
- > chair the Committee on the Conditions of Appointment of the Vice-Chancellor, Nominations Committee and Honorary Degrees Committee
- > assist the Vice-Chancellor with the representation of ANU to government, the private sector and benefactors
- > attend and participate in University functions as appropriate
- > preside at Conferring of Awards ceremonies and perform other ceremonial duties as required.

For the appointment of the current Chancellor in 2010, the Council established a committee to present and make recommendations to Council about names of persons to be considered for appointment. It comprised the Pro-Chancellor (Chair), Vice-Chancellor, three external members of the Council and the Council member elected by the Deans & Research School Heads.

# THE PRO- CHANCELLOR

The Pro-Chancellor is the deputy of the Chancellor on the Council and assists the Chancellor in his ceremonial duties. The Pro-Chancellor is appointed by the Council and is an experienced, long-serving and well-respected member of the Council, drawn from its external members.



# THE VICE- CHANCELLOR

The Vice-Chancellor is the Chief Executive Officer of the University and is appointed by Council and holds office for such period as Council determines.

Under the *Vice-Chancellorship Statute 2002*, the Vice-Chancellor is charged with the responsibility to control and manage the affairs of the University and the real and personal property at any time vested in or acquired by the University, including the disposal of that property. The Vice-Chancellor has the “power to do all things that are necessary or convenient to be done for, or in connection with, the performance of the Vice-Chancellor’s duties,” which includes:

- > developing with Council the vision and strategic direction of the University
- > implementing the vision and strategic direction endorsed by Council
- > providing strong leadership to, and effective management of, the University
- > ensuring the ongoing development, implementation and monitoring of the University’s risk management and internal controls framework
- > ensuring Council is provided with accurate and clear information in a timely manner to promote effective decision-making by Council
- > keeping Council informed, at an appropriate level, of the activities of the University, including advice on:
  - > any potential legal action against the University
  - > major risks
  - > the University’s financial position and projected expenditure, and documents executed under power of attorney.

For the appointment of the current Vice-Chancellor in 2011, the Council resolved that the Committee on the Conditions of the Vice-Chancellor (Chancellor, Pro-Chancellor and Chair of Finance Committee) should oversee the management of the selection process. In addition, the Council established a Selection Committee to make a recommendation to Council on the name of the person it considered to be most suitable for appointment as Vice-Chancellor.

The Selection Committee comprised:

- > the Chancellor
- > the Pro-Chancellor
- > two external members of the Council
- > the Council member elected by Deans and Heads of Research Schools
- > the general staff member of Council
- > the undergraduate student member of Council.

An executive search firm was also engaged to assist with the identification of high-quality candidates.

# COUNCIL COMMITTEES

The Council is assisted in the discharge of its responsibilities by the following committees:

- > Finance Committee
- > Audit and Risk Management Committee
- > Nominations Committee
- > Honorary Degrees Committee
- > Committee on Conditions of Appointment of the Vice-Chancellor.

All Council Committees are comprised of members of Council, supplemented with other Committee members, external to the University, who bring leadership in their field of expertise.

## Audit & Risk Management Committee

The Audit and Risk Management Committee provides independent assurance, advice and assistance to Council on the University's risk, control and compliance framework and its external accountability responsibilities, including its annual financial statement responsibilities. The Committee also serves to meet the University's obligations under section 45 of the *Public Governance, Performance & Accountability Act 2013*. A report from the Audit and Risk Management Committee is a standard item on the agenda for each meeting of Council.

## Finance Committee

The Finance Committee makes recommendations to Council concerning financial and accounting matters of the University. A report from the Finance Committee is a standard item on the agenda for each meeting of Council.

## Nominations Committee

The Nominations Committee of Council makes recommendations to the Minister for Education on persons to be appointed to Council. In addition, when invited to do so by the Council, the Committee will make recommendations to the Council on the appointment of a Chancellor.

## Honorary Degrees Committee

The Honorary Degrees Committee considers nominations, within the terms of the *Honorary Degree Rules 2014*, of persons for conferral of honorary degrees and recommends the names of suitable persons to the Council for admission to an award.

## Committee on Conditions of Appointment of the Vice-Chancellor

The Committee on Conditions and Appointment of the Vice-Chancellor determines the conditions of appointment (including salary) of the Vice-Chancellor.

## Emergency Appointment (Vice-Chancellor) Committee

The Emergency Appointment (Vice-Chancellor) Committee exercises the power of Council under section 37 of the *Australian National University Act 1991* to make acting appointments in short-term emergency situations in relation to the office of Vice-Chancellor.

# COUNCIL & COUNCIL COMMITTEES ATTENDANCES AT MEETINGS

For the period 1 January to 31 December 2014, the following tables detail the attendance at meetings by Council members and other Committee members:

## Council

Council member	No. of possible meetings	No. of meetings attended
Professor the Hon Gareth Evans AC QC	6	6
Professor Ian Young AO	6	6
Ms Ilana Atlas (to 30/06/2014)	3	3
Ms Robin Hughes AO	6	6
Dr Vince FitzGerald (to 30/06/2014)	3	3
Ms Martine Letts (to 30/06/2014)	3	3
Dr Doug McTaggart	6	6
Professor Suzanne Cory AC (from 01/07/2014)	3	3
Mr Patrick Dodson (from 01/07/2014)	3	3
Ms Naomi Flutter (from 01/07/2014)	3	3
Mr David Miles AM	6	6
Mr Graeme Samuel AC	6	6
Professor Andrew MacIntyre (to 16/03/2014)	1	1
Professor Stephen Bottomley (17/03/2014 to 29/09/2014)	3	3
Professor Matthew Colless (from 30/09/2014)	2	1
Professor John Close (to 29/09/2014)	4	4
Dr Karen Hussey (from 30/09/2014)	2	2
Professor Tim Senden	6	6
Mr Matthew King	6	6
Mr Cameron Wilson (to 30/11/2014)	5	5
Mr Benjamin Gill (from 01/12/2014)	1	1
Mr Arjuna Mohottala (to 31/05/2014)	3	3
Mr Benjamin Niles (from 01/06/2014)	3	3

## Finance Committee

Committee member	No. of possible meetings	No. of meetings attended
Mr Graeme Samuel AC	6	6
Mr Geoff Knuckey	6	5
Professor Ian Young AO (or Acting Vice-Chancellor)	6	6
Ms Ilana Atlas (to 30/06/2014)	3	2
Ms Robin Hughes AO (from 01/07/2014)	3	3
Dr Doug McTaggart	6	6
Mr Keith Lyon	6	6
Mr David Miles AM	6	5
Mr Michael Empson (to 30/06/2014)	3	3
Ms Siobhan McKenna	6	6
Mr Michael Delaney (to 30/06/2014)	3	3
Ms Susan Bitter (from 26/07/2014)	2	2
Ms Naomi Flutter (from 01/07/2014)	2	2
Mr Darren Keogh (08/10/2014)	1	1

## Audit & Risk Management Committee

Committee member	No. of possible meetings	No. of meetings attended
Mr Geoff Knuckey	6	6
Mr Graeme Samuel AC	6	5
Mr Mark Ridley	6	5
Ms Ilana Atlas (to 30/06/2014)	3	3
Ms Robin Hughes AO (from 01/07/2014)	2	2
Mr Michael Delaney (to 30/06/2014)	3	3
Ms Janine McMinn (from 01/07/2014)	3	2
Mr Jeremy Chandler (from 01/07/2014)	3	3

## Nominations Committee

Committee member	No. of possible meetings	No. of meetings attended
Professor the Hon Gareth Evans AC QC	1	1
Professor Ian Young AO	1	1
Ms Ilana Atlas (to 30/06/2014)	1	1
Ms Robin Hughes AO (from 01/07/2014)	0	0
Mr Robert Southey (to 31/05/2014)	1	1
Professor Carmen Lawrence	1	1
Ms Hilary McPhee	1	1
Ms Julie Steiner (from 01/06/2014)	0	0
Professor Kieran Kirk	1	0

## Honorary Degrees Committee

Committee member	No. of possible meetings	No. of meetings attended
Professor the Hon Gareth Evans AC QC	3	3
Professor Ian Young AO	3	3
Ms Ilana Atlas (to 30/06/2014)	1	1
Ms Robin Hughes AO (from 01/07/2014)	3	3
Professor Marnie Hughes-Warrington	3	3
Professor Margaret Harding	3	2
Mr David Miles AM (from 01/07/2014)	2	2
Dr Vince FitzGerald (to 30/06/2014)	1	1
Ms Martine Letts (to 30/06/2014)	1	1
Professor Suzanne Cory AC (from 01/07/2014)	2	2
Mr Patrick Dodson (from 01/07/2014)	2	2
Professor Marilyn Ball (to 29/09/2014)	2	1
Professor Nicholas Peterson (to 29/09/2014)	2	1
Professor Brian Anderson (from 30/09/2014)	1	1
Professor Don Rothwell (from 30/09/2014)	1	0
Mr Arjuna Mohottala (to 31/05/2014)	1	1
Mr Benjamin Niles (from 01/06/2014)	1	1
Mr Ben Gill (from 01/12/2014)	1	1

## Committee on the Conditions of Appointment of the Vice-Chancellor

Committee member	No. of possible meetings	No. of meetings attended
Professor the Hon Gareth Evans AC QC	1	1
Ms Ilana Atlas	1	1
Ms Robin Hughes AO	0	0
Mr Graeme Samuel AC	1	1

# REMUNERATION

The remuneration and performance evaluation of the Vice-Chancellor is managed by the Committee on Conditions of Appointment of the Vice-Chancellor, under the oversight of the Council. The Chancellor, as Chair of the Committee, provides an annual written assurance to Council that the Committee has ensured that contractual arrangements are in order, remuneration has been properly developed, and performance objectives have been formulated and measured.

The package of remuneration received by the Vice-Chancellor is benchmarked against the practices of other higher education institutions. The Committee on Conditions of Appointment of the Vice-Chancellor is supported by the University's Director, Human Resources, and receives external advice on remuneration benchmarking for the position from a major remuneration advisory firm.

The Council affirmed the view of the Committee in 2014 that the Vice-Chancellor continues to meet its performance expectations.

In 2014, Council continued its policy of not remunerating Council members, but providing a modest honorarium to the Chancellor in recognition of the responsibilities and time involved in the discharge of that office.

# CONDUCT, ETHICS & DISCLOSURE OF INTERESTS

The University's Code of Conduct applies to all staff and to members of the Council, which is available on the University's website at: [https://policies.anu.edu.au/ppl/document/ANUP\\_000388](https://policies.anu.edu.au/ppl/document/ANUP_000388). The University also has a number of Codes of Practice in place for Teaching and Learning, Supervision in Higher Degrees by Research and Student Academic Integrity that apply to staff and students.

Council and Council Committee members are required to declare relevant directorships and other interests annually and to update this information as circumstances change.

A member of Council who has a material personal interest in a matter that is being considered or is about to be considered by Council must disclose the nature of the interest at a meeting of Council. The disclosure must be made as soon as possible after the relevant facts have come to the member's knowledge and must be recorded in the minutes of the meeting. Unless the Minister for Education or the Council otherwise determines, the member must not be present during any deliberation by Council on the matter and must not take part in any decision of Council on the matter. Further, for the purpose of making this determination, any member who has a material personal interest in the matter to which the disclosure relates must not be present during any deliberation by Council on whether to make the determination and must not take part in making the determination.



# ACADEMIC GOVERNANCE

The academic governance arrangements of the University are subject to the oversight of the Academic Board, which is a free-standing body reporting directly to the Council. The Academic Board is tasked with ensuring the University maintains the highest standards in teaching, scholarship and research. It operates under the *Australian National University Academic Board Statute 2013*, with the assistance of specialist committees on Education, Research and Access & Equity. The Academic Board is charged with the accreditation and reaccreditation of the programs and courses of the University.

Professor Fiona Wheeler's two-year term as Chair appointed by Council concluded on 22 March 2014. Professor Wheeler played a significant leadership role in the re-establishment of the Academic Board in 2012, its organisation and functioning. Professor Nicholas Glasgow, the previously elected Deputy Chair of the Board, was appointed as incoming Chair by Council and presided from the second meeting of the Board in May 2014.

During 2014, there were a number of changes to the elected membership on the Board with the existing elected terms expiring. Four new staff members were elected from amongst the Deans and Directors of academic schools or centres. There were 19 College academic staff representatives on the Board. Ten new members were elected to these positions during 2014 and nine members continued in their elected roles. Two professional staff representatives have membership on the Board. One new member was elected to the Board and one representative continued membership in 2014. Five new female members were appointed to the Board in 2014 to enhance gender equity.

'Hot Topics' discussed by the Board in 2014 included:

- > academic promotions policy and procedures
- > ensuring quality supervision of HDR students
- > On what basis would ANU give credit for MOOCs?

- > Indigenous engagement: development of employment opportunities for ANU Indigenous graduates as academics at ANU
- > ANU Global Programs.

The Board was pleased to have the Chancellor address the June meeting of the Board on academic governance.

Since its establishment, the Board has been the University body responsible for approving new academic programs, reviews of, and amendments to, existing programs, and the disestablishment of programs. In relation to undergraduate and postgraduate coursework programs, accreditation recommendations come to the Board from Colleges via the Board's University Education Committee. For Honorary Degree by Research programs, the pathway to the Board is via its University Research Committee.

In 2014, the Academic Board also undertook a review of its own enabling statute to ensure its governance arrangements remain fit for purpose. From 2015, changes relating to composition of membership, election procedures and meeting procedures will come into effect.

During 2014, a review was commissioned of the University Access and Equity Committee in relation to its effectiveness in addressing key access and equity issues across the University. A number of proposals were the subject of consultation with key stakeholders and included structural changes to enhance the Committee, increase the visibility and traction of equity initiatives and better embed access and equity into the University community. As a result, the Committee has in place updated terms of reference and a revised Committee membership incorporating representation from the executive of each College. The Committee reports directly to the Vice-Chancellor and University Executive and will provide reports to Academic Board and other senior management forums.

# RISK MANAGEMENT

Section 16 of the *Public Governance, Performance & Accountability Act 2013* provides that the University must establish and maintain an appropriate system of risk oversight and management for the University.

At its core, risk management is about creating and protecting value by ensuring that resources are deployed appropriately in pursuit of the strategic business objectives of the University as articulated in the strategic plan *ANU by 2020*. These objectives and the implementation of actions to realise them require risk to be managed effectively and consistently across the University. The Entity-wide Risk Management Framework (ERMF), which was revised and updated in 2014 and approved by Council, outlines the practical measures in place that enable staff at the University to identify, assess and manage risk, drawing upon the following principles:

- > Strategic: Risk management at the University is proactive, seeking to engage, to prevent and act ahead of events.
- > Evidence-based: Risk management within the University acts upon and seeks the best information and evidence available. Where information is unavailable or of low quality, explicit decisions are made about whether to seek further information or cease the activity.
- > Integrated and aligned: Risk management activities do not occur in isolation from one another. The University's rolling three-year internal audit program is designed to test and improve the overall risk management of the University.
- > Transparent and accountable: The management of the University is open about the risk profile and control environment. Risk and risk management strategies are assigned, with clear lines of accountability established.
- > Ongoing monitoring and review: The University encourages a culture of ongoing monitoring (through key risk indicators) to ensure continuous quality improvement and build business resilience.

In addition to the above principles, the ERMF aligns with best practice, the Australian and New Zealand Risk Management Standard *AS/NZS ISO 31000:2009*, and its application based on the following essential elements:

- > establish the context
- > risk identification
- > risk analysis
- > risk evaluation
- > risk treatment
- > ongoing communication and consultation
- > ongoing monitoring and review.

The ERMF is also supported by a robust governance structure that includes:

- > the Audit and Risk Management Committee, which is an ANU Committee of Council
- > University-wide risk management policy and procedure that clearly articulates and assigns key roles and responsibilities
- > the University's Entity-wide Risk Profile
- > a Fraud Control Framework aligned with the Commonwealth Fraud Control Framework
- > an internal audit charter
- > the availability of risk management support, advice, assessment tools and training.

## Risk management plans

Operational risk management requires a degree of routinely repeated activities and processes. These are the formal and cyclical activities designed to manage the operational and largely foreseeable risks faced by the University which, if left untreated, can threaten the University's strategic objectives.

The University has a range of formal risk management plans in place, including plans to manage the following risks:

- > Fraud control plans – A Fraud Control Framework was revised and updated in 2014. This provides an overarching framework for the completion of fraud control plans, which address the specific risk of fraud and corruption through the development of fraud risk profiles; and
- > Business continuity plans – The University has in place business continuity plans to enhance the University's resilience to disruptive incidents affecting the University's essential business functions.

## Internal audit

The ANU Strategic Internal Audit Plan 2014-2016 provides university management and the Audit and Risk Management Committee with a strategic overview of planned internal audit activity that is linked to the University's risk profile, the business environment and the directions the University is striving towards, as set out in *ANU by 2020*.

The plan incorporates a broad range of audits, including compliance-based assurance audits, performance improvement audits and advisory audits. During 2014, 12 internal audits were undertaken with coverage across a variety of university operations, including:

- > alumni relations
- > marketing and brand management
- > access management
- > student fee setting
- > procurement and contract management
- > social media
- > crisis management
- > managing enterprise systems
- > delegations framework
- > human resources controls – leave management
- > financial controls – accounts payable.

In addition to audits conducted in accordance with the ANU Strategic Internal Audit Plan 2014–2016, the internal audit function also undertakes management-initiated reviews as required. During 2014, two management initiated reviews were conducted:

- > financial governance review of ANU student associations
- > governance and financial review of The John Curtin School of Medical Research infrastructure organisations.

## Grant audits

The University is required to conduct audits of the financial activities of grants to comply with the requirements set by the grant funding entity. These verify whether the statement of income and expenditure accurately summarises the financial records of the grant and provides an assurance that funds have been expended in accordance with the relevant grant agreement. The statement of income and expenditure of grants is audited by an internal auditor or by an independent external auditor with the results and corrective action plans forwarded to the funding body as required by the operating legislation and/or grant agreement.

During 2014, 20 internal and 12 external audits were conducted to audit \$90 million of grant funds and \$135 million of grant expenditure.

# CONTROLLED ENTITIES

In 2014 the University had five controlled entities overseen by the Finance Committee and the Council:

## ANU Enterprise Pty Ltd

ANU Enterprise Pty Ltd is a wholly-owned company of the University, established in 1979. It is staffed by over 100 employees and currently operates three businesses, ANUedge, Australian Scientific Instruments Pty Ltd and The Social Research Centre Pty Ltd. ANU Enterprise is governed by a board comprising a mix of senior ANU staff and independent external directors, with appropriate skills and experience in business, development, accounting and higher education.

ANU Enterprise provides an annual business plan and proposed budget, as well as regular reports on financial performance and other operational matters, to the Finance Committee and to the Council. ANU Enterprise is audited by the Australian National Audit Office as required by the *Public Governance, Performance & Accountability Act 2013*.

## ANU (UK) Foundation

The ANU (UK) Foundation is constituted in England and Wales, and operates for the purpose of facilitating donations and bequests that may arise in the United Kingdom. The Foundation is governed by a board comprising a mix of senior ANU staff and independent external directors, with appropriate skills and experience in business, development, accounting and higher education.

Directors and Trustees Reports and Financial Statements are provided annually by the Foundation to the Council. The Foundation is exempted from the requirement for an Australian National Audit Office audit. Accounts are prepared by an independent accountant.

## BRU Holdings Pty Ltd, SA2 Holdings Pty Ltd & ANU Section 68 Pty Ltd

These entities are special purpose vehicles relating to participation in a building development (ANU Section 68), and construction and operation of student accommodation (BRU Holdings Pty Limited, SA2 Holdings Pty Limited). These entities are governed by a board comprising senior ANU staff, which is considered appropriate in the circumstances of the limited scope of the entities.

Budgets and business plans are considered annually by the Finance Committee and approved by the Council. Regular reports are also received outlining financial performance and forecast occupancy levels. BRU Holdings Pty Ltd and SA2 Holdings Pty Ltd are audited by the Australian National Audit Office as required by the *Public Governance, Performance & Accountability Act 2013*.

# LEGISLATION

Under section 50 of the *Australian National University Act 1991*, the Council may make Statutes, not inconsistent with the Act or the *Public Governance, Performance & Accountability Act 2013*, to regulate matters concerning the operations of the University. The Council itself, or under delegation to the Vice-Chancellor, also makes Rules and Orders, to specify, in further detail, matters dealt with in Statutes.

At its March 2014 meeting, Council commissioned a review of all University legislation to ensure that all instruments remained current and to ensure that Statutes are drafted as principle-focused instruments, supported by Rules and Orders which articulate the operational processes for implementation.

To this end, members of the University Executive and Directors of Service Divisions were asked to test those legislative instruments assigned to their portfolio against the following criteria:

- > whether the instrument is still needed or can be repealed or the essence of the instrument is included in another
- > consistency with the University's strategic plan, *ANU by 2020*
- > consistency with relevant University policies and procedures, that is, if there are inconsistencies, do the policies and procedures need to be changed or the instrument(s) changed
- > compliance with relevant Commonwealth or ACT legislation
- > clarity of language.

There were 50 university legislative instruments at the commencement of the review. As a result of the review, a number of obsolete Statutes were repealed; a series of coursework awards Rules were consolidated and simplified into a single set of Rules; and a significant number of instruments were amended to ensure currency and ease of application.

# POLICY GOVERNANCE

The Policy Governance Framework provides the structure within which University policies, procedures, guidelines and forms operate. In 2013, an internal audit of the effectiveness of the ANU policy governance framework was undertaken. In 2014, the University responded to the audit recommendations by appointing a University Policy Manager and commissioning a project to revise the existing Policy Governance Framework.

The University seeks to ensure that it continues to have a Policy Governance Framework that enhances quality, understanding, accessibility, and compliance with policies, procedures and related documents by officers, staff and students of the University. In 2015, the University intends to implement a new Policy Governance Framework, supported by an upgraded online policy repository and web interface.

# DELEGATIONS OF AUTHORITY

The Delegations Framework provides a key mechanism for accountability and responsibility in decision-making within the University. It is designed to reflect the University's organisational structure and provide a mechanism to assign authorities originating from legislation, policy and/or procedures of the University.

In 2014, the University undertook an internal audit of its delegations of authority, and is now implementing the recommendations of that review to ensure that delegations of authority remain compliant with legislative obligations, relevant to the University's strategic objectives and are easily managed and administered within the University.

# DISCLOSURE OF MATERIAL ACTIVITIES & EVENTS

Section 19 of the *Public Governance, Performance & Accountability Act 2013* provides that the Council has a duty to keep the Minister for Education and the Minister for Finance informed of any significant decisions or issues concerning the University and any of its subsidiaries. This is limited by section 4A of the *Australian National University Act 1991*, which provides that Council need not comply with section 19, where it would or might affect the academic independence or integrity of the University.

In 2014, the University only reported one matter to the Minister for Education, which related to the acquisition of The Social Research Centre Pty Ltd (SRC) by the University's wholly owned subsidiary, ANU Enterprise Pty Limited. On 1 July 2014 ANU Enterprise entered into a Share Purchase Agreement to purchase 100 per cent of SRC's shares.

SRC is a leading Australian social survey fieldwork company and service research agency. It provides the Australian social science research community (in government, industry and academia) with access to world-class survey research services and a full range of survey design, data management, analytical and qualitative skills.

The University's objective is to create and develop a strong mutually beneficial synergistic research relationship between the University and SRC. University research, in particular social science and population health research, could leverage SRC's strength in applied social research methodology and its expertise in collecting, processing and interpreting qualitative and quantitative data. There is also the ongoing potential to utilise longitudinal data collection in social fields that could provide highly valuable input to policy development.

# INDEMNITIES & INSURANCE FOR UNIVERSITY OFFICERS

ANU indemnifies its staff against liabilities incurred by them while carrying out their duties in good faith for ANU. Indemnification of staff includes meeting the costs of actions that might be taken against them personally as though the action had been taken against ANU, provided that the staff member concerned acted in good faith.

Similar indemnities have been granted to members of the ANU Council, ANU appointments to external company boards and non-ANU employees who serve on ANU committees.

Professional indemnity insurance and other appropriate insurances, including Directors and Officers Liability Insurance, have been acquired on terms and conditions that are consistent with provisions in the *Public Governance, Performance & Accountability Act 2013*.

Council members are entitled to any information they need or require from the University to exercise their functions and to fulfil their duties as directors and, subject to the prior approval of the Chancellor (which is not to be unreasonably withheld), may seek independent legal advice at the University's expense on any issue submitted to Council.

# INTERNAL GRIEVANCE PROCEDURES

The University has codified its internal grievance procedure. Staff may seek resolution of their grievances in accordance with the *Staff Grievance Policy* and its associated procedures. Equally, students may seek resolution of their grievances in accordance with the *Student Complaint Resolution Policy* and its associated procedures. Further information regarding these policies is available at: <https://policies.anu.edu.au>.

In 2014, the University also established a policy and supporting procedures in compliance with the *Public Interest Disclosure Act 2014*. This encourages staff and other eligible public officials to report suspected wrongdoing within the University. In accordance with the Act, the University has appointed two Authorised Officers to receive reports of disclosable conduct. Further information regarding the operation of this scheme is available at: [www.anu.edu.au/about/governance/frameworks-disclosures/public-interest-disclosure](http://www.anu.edu.au/about/governance/frameworks-disclosures/public-interest-disclosure)



# INFORMATION PUBLICATION SCHEME

As an agency subject to the *Freedom of Information Act 1982*, ANU is required in Part II of that Act to publish information to the public as part of the Information Publication Scheme (IPS).

In accordance with IPS requirements, the University displays on our website (at <http://foi.anu.edu.au>) a high volume of operational information. The IPS section of this site contains links to information that is available and commonly requested.

# CORPORATE GOVERNANCE & RISK OFFICE

The University established the Corporate Governance & Risk Office (through the merger of two previous organisational units) in late 2013. Following the appointment of a new Director in January 2014, the Corporate Governance & Risk Office's remit in 2014 has been to coordinate the further strengthening of the University's governance arrangements and practices.

The Corporate Governance & Risk Office provides governance advice and secretariat support for the Council, all Council Committees, Academic Board and its Committees. The Director is the Secretary to the Council and oversees the management of the governance frameworks of the University, covering subordinate legislation, policy and delegations of authority. The Director also oversees the management of the risk management framework and internal audit program on behalf of Council and its Audit & Risk Management Committee.

# UNIVERSITY OFFICERS

## **Chancellor**

Professor the Hon Gareth Evans AC QC  
BA LLB(Hons) *Melb*, MA *Oxon*, Hon LLD *Melb*,  
*Syd*, *Carleton*, *Queen's Ont*, FASSA, FAIA

## **Pro-Chancellor**

Ms Ilana Atlas (to 30/6/14)  
BJuris LLB(Hons) *WAust*, LLM *Syd*  
Ms Robin Hughes AO (from 1/7/14)  
BA MA *Syd*

## **Vice-Chancellor and President**

Professor Ian Young AO  
BE(Hons) MEngSc PhD *JCU*, HonFIEAust, FTSE

## **Deputy Vice-Chancellor (Academic)**

Professor Marnie Hughes-Warrington  
BEd(Hons) *Tas*, DPhil *Oxon*

## **Deputy Vice-Chancellor (Research)**

Professor Margaret Harding  
BSc PhD DSc *Syd*, CChem, FRACI

## **Pro Vice-Chancellor (Innovation and Advancement)**

Professor Michael Cardew-Hall  
BSc(Hons) *Nott*, PhD *Imperial College*,  
CEng, FIMechE

## **Pro Vice-Chancellor (International and Outreach)**

Dr Erik Lithander  
BSc (Econ) *LSE*, MPhil PhD *Cantb*

## **Pro Vice-Chancellor (Research and Research Training)**

Professor Jennifer Corbett  
BA(Hons) *ANU*, MA *Oxon*, PhD *Michigan*

## **Pro Vice-Chancellor (Student Experience)**

Professor Richard Baker  
BA(Hons) *ANU*, PhD *Adel*

## **Executive Director (Administration and Planning)**

Mr Chris Grange  
BA *UNSW*, MComm *UOW*

## **College Dean, ANU College of Arts and Social Sciences**

Professor Toni Makkai  
BA *CIAE*, MSPD PhD *Qld*

## **College Dean, ANU College of Asia and the Pacific**

Professor Andrew MacIntyre (to 8/2/14)  
BA(Hons) MA PhD *ANU*  
Professor Andrew Walker (from 1/3/14 to 13/7/14)  
BA (Hons) *Syd* PhD *ANU*  
Professor Veronica Taylor (from 14/7/14)  
BA(Hons) LLB *Monash*, LLM *Washington*

## **College Dean, ANU College of Business and Economics**

Professor Jayne M Godfrey (to 31/3/14)  
BCom(Hons) *Melb*, PhD *Qld*, MEc *Syd*, DipEd  
*MSVC*, FAICD, FCA, FCPA  
Professor Shirley Leitch (from 1/4/14)  
BA MA(Hons) PhD *Auck*

## **College Dean, ANU College of Engineering and Computer Science**

Professor John Hosking (to 30/5/14)  
BSc PhD *Auck*, MIEEE, FRSNZ  
Professor Andres Cuevas (acting from 1/6/14 to 29/9/14)  
MEng PhD *UPM*, FIEEE  
Professor Elanor Huntington (from 30/09/2014)  
BSc(Hons1) MITS PhD *ANU*, GradCert(Mgt)  
Flinders, MIEEE, FIEAust

## **College Dean, ANU College of Law**

Professor Stephen Bottomley  
BA LLB(Hons) *Macq*, LLM *UNSW*

## **College Dean, ANU College of Medicine, Biology and Environment**

Professor Andrew Cockburn (to 17/4/14)  
BSc PhD *Monash*, FAA  
Professor Kiaran Kirk (from 18/4/14)  
BSc(Hons) PhD *Syd*, MA DPhil *Oxon*

## **Dean of Medicine and Health Sciences, ANU College of Medicine, Biology and Environment**

Professor Nicholas Glasgow  
MBChB, MD *Auck*, FRNZGP, FRACGP, FACHPM

**College Dean, ANU College of Physical and Mathematical Sciences**

Professor Andrew Roberts  
BSc(Hons) PhD DSc *Victoria*

**Director, The John Curtin School of Medical Research**

Professor Christopher Parish (acting to 5/10/14)  
BAgrSc PhD *Melb*, FTSE  
Professor Simon Foote BMSc MBBS PhD *Melb*,  
DSc *UTas*, FFSc (RCPA), FAHMS, FTSE  
(from 6/10/14)

**Director, Research School of Astronomy and Astrophysics**

Professor Matthew Colless  
BSc Hons *Sydney*, PhD *Cantab*, FAA, FRAS

**Director, Research School of Biology**

Professor Kieran Kirk (to 17/4/14)  
BSc(Hons) PhD *Syd*, MA DPhil *Oxon*  
Professor Stefan Broer (acting from 18/4/14  
to 17/5/14)  
BSc MSc *Tuebingen*, PhD *Duesseldorf*  
Professor Scott Keogh (acting from 18/5/14  
to 17/6/14)  
BSc *Illinois*, MS *Illinois State*, PhD *Syd*  
Professor John Evans (acting from 18/6/14  
to 31/7/14)  
PhD *ANU*, FAA  
Professor Scott Keogh (acting from 1/8/14  
to 31/8/14)  
BSc *Illinois*, MS *Illinois State*, PhD *Syd*  
Professor John Evans (acting from 1/9/14  
to 30/9/14)  
PhD *ANU*, FAA  
Professor Stefan Broer (acting from 1/10/14)  
BSc MSc *Tuebingen*, PhD *Duesseldorf*

**Director, Research School of Accounting and Business Information Systems**

Professor Juliana Ng  
BCom MAcc PhD *UWA*, CPA

**Director, Research School of Chemistry**

Professor John Carver  
BSc (Hons) *Adelaide*, PhD *ANU*

**Director, Research School of Computer Science**

Professor Alistair Rendell  
BSc(Hons) *Dunelm*, PhD *Syd*

**Director, Research School of Earth Sciences**

Professor Ian Jackson  
BSc(Hons) *Qld*, PhD *ANU*

**Director, Research School of Economics**

Dr William Coleman (from 7/1/14 to 30/3/14)  
BEc *Syd*, MSc PhD *London*  
Professor Rabee Tourky (from 1/4/14)  
BEcon (First Class Hons) PhD *Qld*

**Director, Research School of Engineering**

Professor Thushara Abhayapala (to 12/10/14)  
BE(Hons) PhD *ANU*, FIEAust  
Professor Robert Mahony (from 13/10/14)  
BSc(Hons) PhD *ANU*, SMIEEE

**Director, Research School of Finance, Actuarial Studies and Applied Statistics**

Associate Professor Steven Roberts (from 1/1/14)  
BEc(Hons) *ANU*, MS PhD *Stanford*, AIAA SFHEA

**Director, Research School of Humanities and the Arts**

Professor Paul Pickering,  
BA(Hons) PhD *La Trobe*, FRHistS

**Director, Research School of Management**

Professor Pam Morrison (to 16/11/14)  
BEcon *Qld*, MComm PhD *UNSW*

**Director, Research School of Physics and Engineering**

Professor Stephen Buckman  
BSc PhD *Flinders*, FAPS, FAIP, FlnstP

**Director, Research School of Population Health**

Professor Gabriele Bammer (to 31/12/13)  
BSC BA *Flinders*, PhD *Syd*  
Professor Kaarin Anstey (Acting from 1/1/14  
to 28/2/14)  
BA (Hon) *Syd*, PhD *UQ*  
Professor Archie Clements (from 1/3/14)  
BVSc (Hon) *Syd*, MVM *Glas* PhD *Lond*

**Director, Research School of Psychology**

Professor Donald Byrne (to 4/7/14)  
BA PhD *Adel*, DrHC NTNU Norway, FASSA,  
FAPS  
Professor Michael Smithson (acting from 5/7/14  
to 17/8/14)

BSC *Harvey Mudd*, PhD *Oregon*

Professor Michael Kyrios (from 18/8/14)  
BA DipEdPsy MPsych(Clinical) PhD, FAPS,  
MCCP

**Director, Research School of Social Sciences**

Professor Adam Graycar (to 1/7/14)  
BA PhD DLitt *UNSW*, FASSA  
Professor Jacqueline Lo (acting from 14/7/14)  
BA(Hons) PhD *UWA*

**Director, Australian Centre on China in the World**

Professor Geremie Barmé  
BA PhD *ANU*, FAHA

**Director, Australian National Centre for the Public Awareness of Science**

Professor Sue Stockmayer AM  
BSc *Lond*, MSc

**Director, Crawford School of Public Policy**

Professor Tom Kompas  
MSc BSc *Iowa State*, PhD *Tor*

**Director, The Fenner School of Environment and Society**

Professor Stephen Robert Dovers  
BAppSc *Canberra*, BLett PhD *ANU*, FASSA

**Director, Mathematical Sciences Institute**

Professor Thierry Coulhon  
PhD *Paris*

**Director, National Centre for Indigenous Studies**

Professor Michael Dodson AM  
LLB BJuris *Monash*, Hon DLit *UTS*, Hon LLD  
*UNSW*

**Director, National Security College**

Professor Michael L'Estrange AO (to 31/10/14)  
BA(Hons) *Syd*, MA *Oxon*

**Director, School of Culture, History and Language**

Professor Ken George  
BA *Tufts*, MA *North Carolina-Chapel Hill*, MA PhD  
*Mich*

**Director, School of International, Political and Strategic Studies**

Professor Michael Wesley (from 13/1/14)  
BA(Hons) *UQ*, PhD *St Andrews*

**Director, Regulatory Institutions Network (RegNet)**

Professor Veronica Taylor (to 13/7/14)  
BA(Hons) LLB *Monash*, LLM *Washington*  
Professor Sharon Friel (from 14/7/14)  
MSc PhD *Ireland, Galway*

**Dean of Students**

Associate Professor Paula Newitt  
BSc(Hons) *La Trobe*, PGDip(SciEd) *Curtin*, PhD  
*La Trobe*

**Chief Financial Officer & Director, Finance and Business Services**

Mr David Sturgiss (to 5/7/14)  
BComm *UNSW*, FCA, FC, MAICD  
Mr Alastair Sinton (from 28/7/14)  
BSC(Hons) *ACA*

**Director, Human Resources**

Dr Nadine White  
BLA LLB(Hons) PhD *Newcastle*, CAHRI

**Registrar, Student Administration**

Mr Mark Erickson  
BSocSc *UNSW*

**Registrar, Student Services**

Dr Laura-Anne Bull (to 31/01/14)  
BEng(Hons) PhD *Strathclyde*

**Registrar, Student Life**

Dr Laura-Anne Bull (from 1/02/14 to 31/7/14)  
BEng(Hons) PhD *Strathclyde*  
Dr Stephen Milnes (from 1/8/14)  
BA(Hons) DipEd MA *Flinders*, PhD *UBC*,  
DipAsianStudies *ANU*

**Director, Research Services**

Dr Douglas Robertson  
MA (Hons) *Aberd*, PhD *Wales*

**Director, Scholarly Information Services and University Librarian**

Ms Roxanne Missingham  
MPubAdmin *Canberra*, GradDipLib CCAE, BSc ANU, FALIA

**Chief Information Officer**

Mr Peter Nikolettatos (to 5/4/14)  
BBus MEdSt *Newcastle*, GradDipLaw SCU, FAIPM, MAICD, AIMM, MACS  
Ms Karen Hill (acting from 7/4/14)  
BMgt UC, MMgt ANU, AIMM

**Director, Facilities and Services**

Mr Mick Serena (to 31/1/14)  
MDesSc Syd  
Ms Christine Allard (from 3/2/14)

**Director, Strategic Communications and Public Affairs**

Ms Jane O'Dwyer  
BA *Curtin*, MJourn UOW

**Director, Marketing Office**

Ms Tracy Chalk  
BA UNSW

**Director, Alumni Relations and Philanthropy**

Dr Colin Taylor  
BSc(Hons) ANU, PhD UWA, PCCP CPI, MBA UNSW

**Director, Residential and Campus Communities**

Mr Luce Buitler Andrews (to 1/2/14)  
BA UWS, GradDipAppPsych UCan

**Director, Corporate Governance and Risk Office**

Ms Kathleen Molloy (from 6/1/14)  
BA(Hons) *La Trobe* MMgt (Organisational Systems) *Monash*, GAICD

**University Counsel**

Mr Kenneth Grime  
BEc LLB *Monash*, Barrister & Solicitor

**Director, Service Improvement Group**

Ms Karen Hill (to 6/4/14)  
BMgt UC, MMgt ANU, AIMM  
Ms Lakshmi West (acting from 7/4/14)  
BAppSc(Inf) UTS

**Director, North America Liaison Office**

Dr John Wellard  
BAppSc *La Trobe*, GradDipSci PhD ANU

**Master, University House and Graduate House**

Professor Lawrence Cram (to 9/4/14)  
BSc(Hons) BE(Hons) PhD Syd, FRAS, FRIEAust  
Professor Kiaran Kirk (acting from 10/1/14 to 25/5/14)  
BSc(Hons) PhD Syd, MA DPhil Oxon  
Professor Peter Kanowski (from 26/5/14)  
BScFor (Hons) ANU, DPhil Oxon

**Head, Bruce Hall**

Ms Marion Stanton BA(Hons) ANU

**Head, Burton & Garran Hall**

Mr David Segal  
BCmn UC, MMgt ANU

**Head, Fenner Hall**

Dr Jasmine Jury  
BSc(Hons) *Massey*, PhD ANU

**Head, Toad Hall**

Dr Ian Walker  
BA DipEd Syd, MA *Macq*, PhD UNSW

**Head, Ursula Hall**

Dr Ian Walker  
BA DipEd Syd, MA *Macq*, PhD UNSW

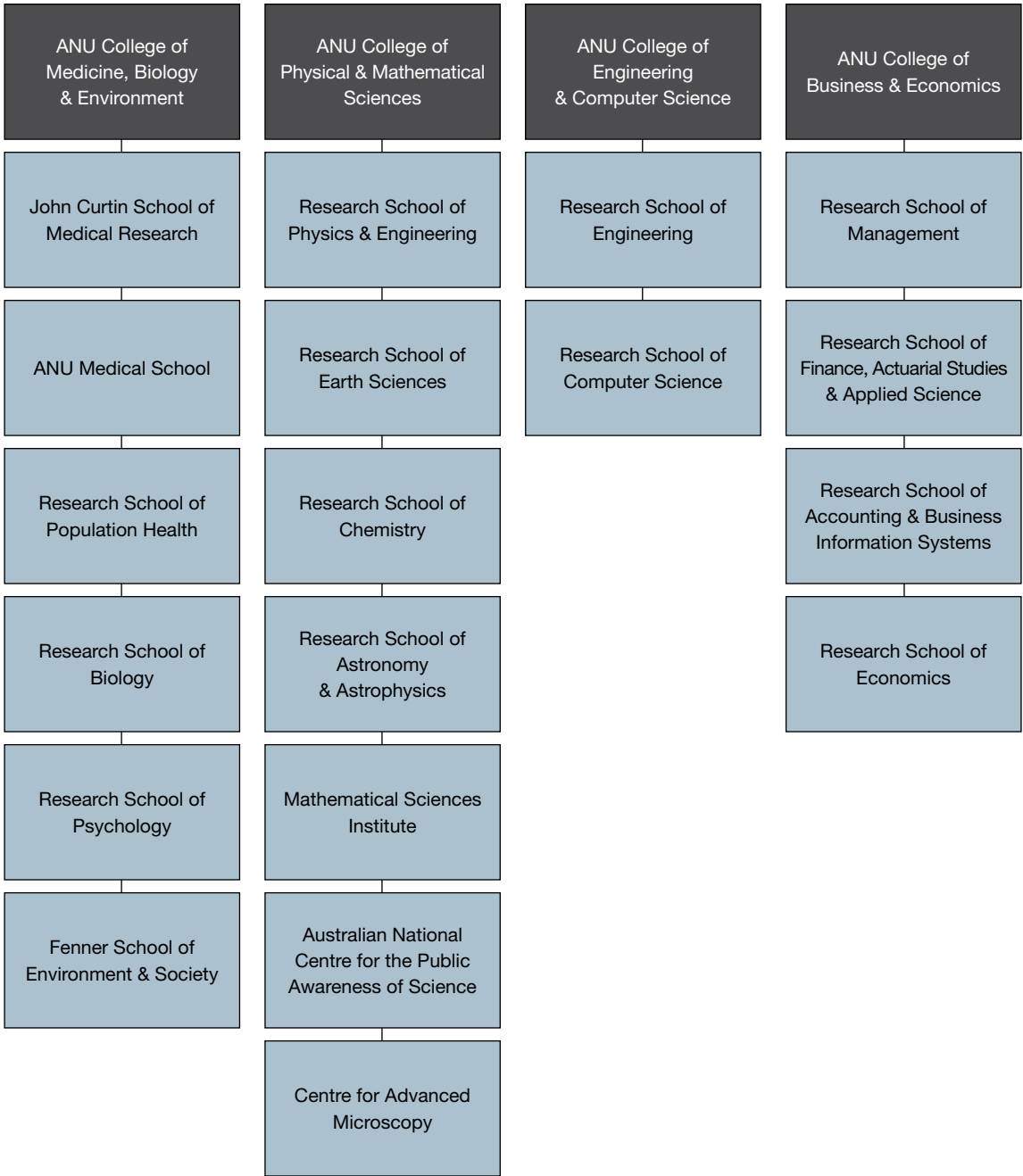
**Officers for Ceremonial Occasions****Marshal**

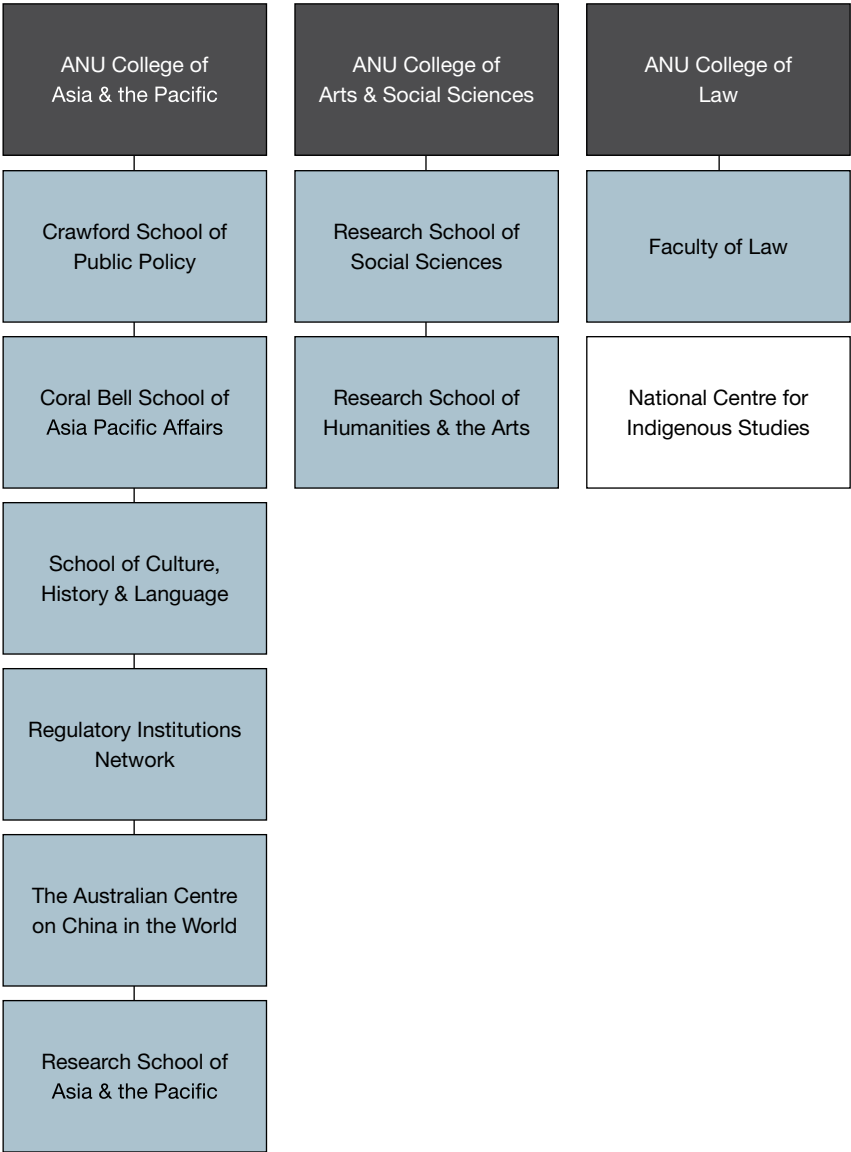
Mr Selwyn Harcourt Cornish AM  
BEc *WAust*  
Ms Lorena Kanellopoulos (alternate)  
DipHRM, GradCertMgt, MMgt ANU

**Esquire Bedel**

Dr Ian Walker  
BA DipEd Syd, MA *Macq*, PhD UNSW  
Ms Lorena Kanellopoulos (alternate)  
DipHRM, GradCertMgt, MMgt ANU

# ACADEMIC STRUCTURE OF THE UNIVERSITY







# EXTERNAL LOCATIONS OF MAJOR ACTIVITIES & FACILITIES

## **ANU School of Clinical Medicine**

ANU College of Medicine, Biology and Environment  
The Australian National University  
The Canberra Hospital  
Yamba Drive  
Garran ACT 2605

## **Mount Stromlo Observatory**

Research School of Astronomy and Astrophysics  
ANU College of Physical and Mathematical Sciences  
The Australian National University  
Cotter Road  
Weston Creek ACT 2611

## **Kioloa Coastal Campus**

Facilities and Services Division  
The Australian National University  
496 Murramarang Road  
Kioloa NSW 2539

## **North Australia Research Unit (NARU)**

Facilities and Services Division  
The Australian National University  
23 Ellengowan Drive  
Brinkin (Darwin) NT 0810

## **Siding Spring Observatory**

Research School of Astronomy and Astrophysics  
ANU College of Physical and Mathematical Sciences  
The Australian National University  
National Park Road  
Coonabarabran NSW 2357

# A SAFE, HEALTHY & SUSTAINABLE WORK ENVIRONMENT

*This statement reports on work health and safety matters at ANU as per the requirements of the Work Health and Safety Act 2011 (Cth) and as mentioned in the Requirements for Annual Reports 24 June 2013.*

Managing work health and safety (WHS) risk is a core responsibility for ANU.

The University has a broad WHS risk profile associated with its research, teaching and operations, including specific risks associated with work in laboratories and workshops, as well as field work both within Australia and overseas. The risk profile covers hazardous materials, including asbestos, chemicals, biologicals and radiation, as well as electrical and body stressing (e.g. occupational overuse and manual handling) hazards.

ANU is committed to providing a workplace that is safe and healthy for all staff, students, contractors and visitors; is without risk to the environment; and complies with the *Work Health and Safety Act 2011 (Cth)* and other relevant legislation, regulations, national standards and codes of practice. The University manages WHS through the Human Resources Division, Work Environment Group (which has responsibility for injury prevention and injury management), ANU Wellbeing Program and support to staff with disability.

The University's *OHS Strategic Plan 2011–2014* provides the platform for meeting the University's WHS commitment.

The University continues to monitor its health surveillance program. Currently, there are approximately 150 staff being monitored for audiometric, confined space work, self-contained breathing apparatus, hazardous substances, pesticides, zoonoses and animal allergies.

WHS knowledge within the University was strengthened through 112 training courses, with over 1,400 staff and students being trained.

The number of work-related incidents reported in 2014 (435) was lower than that of 2013 (548) and there was a significant decrease in accepted compensation claims from 53 in 2013 to 34 in 2014. Appropriate corrective actions were implemented for incidents.

Comcare issued fifteen (15) inspectors' reports at ANU, related to a minor burn to a student's hand, a broken laboratory window, the set-up of the Nuclear Magnetic Resonance instrument, an inappropriate workplace behaviour, a damaged electrical cable during excavation, a leak from a fallen cylinder, a fire in a dust extraction unit, grievance processes, a needle stick, asbestos management and electrical safety.

ANU provided compliance data to The Australian Radiation Protection and Nuclear Safety Agency, the Australian Safeguards and Non-Proliferation Office, and the National Industrial Chemicals Notification and Assessment Scheme in 2014.

TABLE 19: OCCUPATIONAL HEALTH AND SAFETY INCIDENT STATISTICS 2010-2014

	2010	2011	2012	2013	2014
<b>Reported incidents</b>	366	424	410	548	435
Accepted Compensation Claims	48	41	48	53	34
LTI (lost time in days > 1)	22	34	30	30	7
LTI FR for Accepted Claims	3.3	4.9	4.2	4.2	1.0
<b>Reported to Comcare</b>					
Serious Personal Injury (CC2)	24	51	27	30	27
Dangerous Occurrence (CC4)	7	14	23	13	18

LTI = Lost Time Injury LTI FR = LTI Frequency Rate

**Note:** Data reflects information as at 5 February 2015.

# THE ENVIRONMENT

*This statement has been prepared to comply with section 516A of the Environment Protection and Biodiversity Conservation (EPBC) Act 1999.*

ANU aims to provide a research and study environment that meets the world's best sustainability practice. Twelve years ago ANU created its first Environment Management Plan (EMP), a comprehensive program for improving campus sustainability. ANU is now working from its second Environmental Management Plan 2009-2015.

## Targets

The EMP prescribes sustainability targets which aim to exceed statutory requirements and industry standards. These targets include:

- > reducing energy use and greenhouse gas emissions by 20 per cent by 2015 and 35 per cent by 2020

- > reducing total water use by 30 per cent by 2015 and 50 per cent by 2020, including removing all potable water use from the landscape by 2015
- > reducing waste to landfill by 40 per cent by 2015 and 70 per cent by 2020.

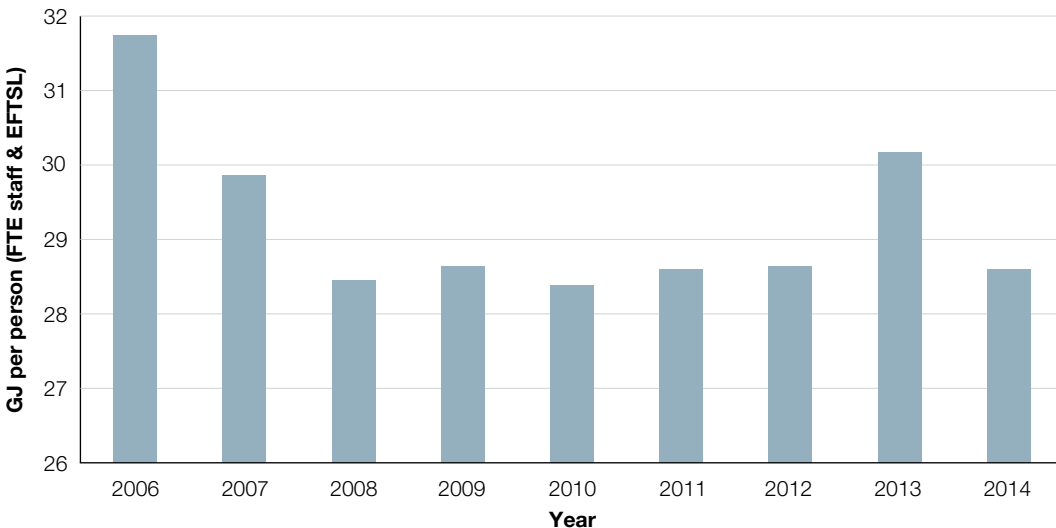
All targets have a 2006 baseline year. There are also targets to increase sustainable transport, reduce pollution risk, and foster a culture of sustainability. A full list of indicators is in the EMP.

## Results

### Energy

While total energy use increased by 18.5 per cent since 2006, per capita energy use declined by 9.9 per cent.

FIGURE 3: ENERGY USE PER PERSON



**Water**

Since 2006 total potable water use declined by 30 per cent, and per capita water use nearly halved.

**Waste**

Total waste to landfill decreased by 3.5 per cent since 2006, while per capita waste to landfill decreased by 26.6 per cent.

FIGURE 4: TOTAL WATER USE PER PERSON

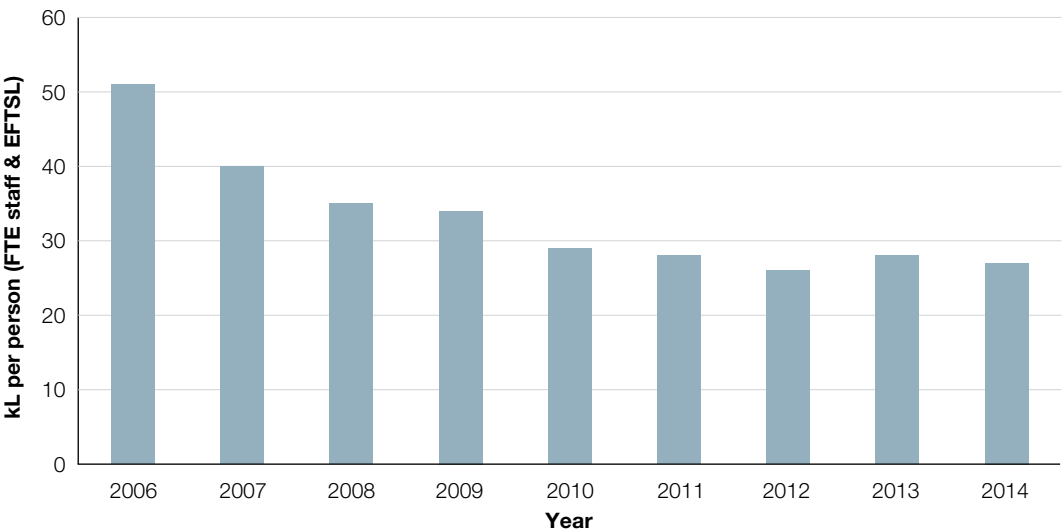
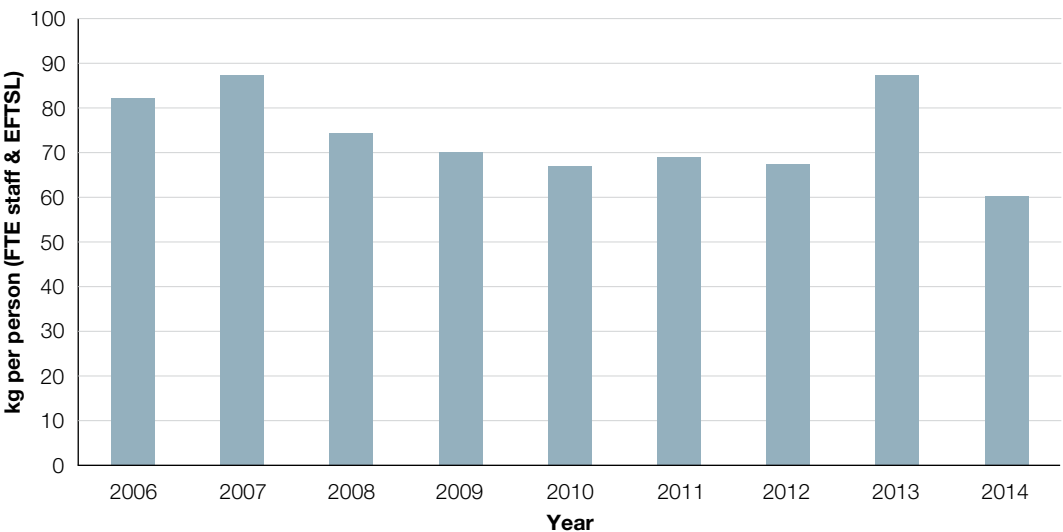


FIGURE 5: WASTE TO LANDFILL PER PERSON



## Initiatives

### Energy

- > A 39.24 kW photovoltaic array was installed at the School of Art, providing ANU with an additional 57,000 kWh of green energy each year. Combined with existing photovoltaic arrays, the total green energy generated annually by ANU is now 137,000 kWh.
- > LED lights were installed at the School of Art as part of the lighting upgrade program. These lights reduce energy use by 75 per cent compared with conventional lights.
- > A significant number of computers were involved in a trial to monitor energy use of computers using Greenrac power management software. Energy saving policies were used to reduce electricity consumption on 500 of these machines.
- > Twenty-one buildings were included in stage one of a building management system tune-up program. Energy savings for individual buildings ranged between six and 30 per cent.
- > An audit of all ANU campus gas meters was completed as part of a program to connect the gas meters to the Building Management System (BMS).

### Water

- > ACTEW audited 177 water meters on campus to assess their condition, accuracy and potential for connecting to the new campus BMS.

### Waste

- > Move Out Recycling Day was held for the third year in a row, providing students with the opportunity to buy recycled clothing, shoes, books and kitchen goods. Move Out Recycling Day resulted in 1.16 tonnes of waste being diverted from landfill.

### Biodiversity

- > Interpretative signage was installed at key areas around the Old Canberra House remnant grassy woodlands and Dickson Road Wetland.
- > Regular monitoring of Sullivans Creek was continued, including monthly water quality sampling and bi-annual monitoring of aquatic insects. Annual Frogwatch surveying was repeated with support from student volunteers.

### Transport

- > The Campus Pedestrian and Cyclist Movement Strategy is nearly complete and will inform the completion of the Sustainable Transport Plan.
- > The 2014 transport survey found that 22 per cent of respondents changed their travel due to parking fee increases. Drivers, pedestrian and cyclist conflict identified will be addressed by the Campus Pedestrian and Cyclist Movement Strategy.
- > Fifty-seven bicycle hoops were installed across campus.

### Heritage

- > An Interactive Heritage Trail of Mount Stromlo Observatory was launched with the assistance of a grant from the Commonwealth Department of the Environment.
- > The Director's Residence at Mount Stromlo Observatory was partially restored after being damaged in the 2003 bushfires. With the assistance of a grant from the Commonwealth Department of the Environment the building is now a 'working ruin' with interactive and audio visual interpretative experiences for visitors.

- > Old Canberra House, one of Canberra's most iconic historic structures, celebrated a belated 100th birthday, with the unveiling of a 1:12 scale model of the original structure developed by Cockington Green.
- > The original John Curtin School of Medical Research building was adaptively reused and refurbished to accommodate several key science faculties.
- > Heritage Management Plans for Mount Stromlo Observatory and Siding Spring Observatory were completed in line with the obligations of the EPBC Act.

### **Outreach**

- > The seventh annual Celebrate Sustainability Day involving live music, a free barbeque and market stalls was attended by 2,000 students.
- > This year's Great Green Debate, *"Does Australia have to choose between the economy and the environment? Is it possible to have a just transition away from fossil fuels?"*, attracted over 150 participants.





# Financial Information

# AUDIT REPORT



## INDEPENDENT AUDITOR'S REPORT

### To the Minister for Education and Training

I have audited the accompanying financial statements of Australian National University (the University) for the year ended 31 December 2014, which comprise the Statement by the Council, Chief Executive and Chief Financial Officer; Income Statements; Statements of Comprehensive Income; Statements of Financial Position; Statements of Changes in Equity; Statements of Cash Flows; Schedules of Commitments; and Notes to and forming part of the Accounts, comprising a Summary of Significant Accounting Policies and other explanatory information, of the University and the consolidated entity. The consolidated entity comprises the University and the entities it controlled at the year's end or from time to time during the financial year.

### *University Council's Responsibility for the Financial Statements*

The University Council is responsible under the *Public Governance, Performance and Accountability Act 2013* for the preparation of the financial statements that present fairly and comply with Australian Accounting Standards and the rules made under that Act. The University Council is also responsible for such internal control as is necessary to enable the preparation of financial statements that present fairly and are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the University's preparation of the financial statements that present fairly in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the University Council, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### *Independence*

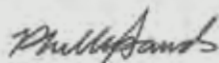
In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

### *Opinion*

In my opinion, the financial statements of Australian National University and the consolidated entity:

- (a) comply with Australian Accounting Standards and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial positions of the Australian National University and the consolidated entity as at 31 December 2014 and their financial performance and cash flows for the period then ended.

Australian National Audit Office



Phillip Sands  
Executive Director

Delegate of the Auditor-General

Canberra  
27 March 2015

# STATEMENT BY THE COUNCIL



Australian  
National  
University

27 March 2015

Professor the Hon Gareth Evans AC QC  
Chancellor

+61 2 6125 2113  
+61 2 6125 8524  
chancellor@anu.edu.au

Canberra ACT 0200 Australia  
www.anu.edu.au

CRICOS Provider No. 00120C

## CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2014 STATEMENT BY THE COUNCIL, CHIEF EXECUTIVE AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 31 December 2014 are based on properly maintained financial records in accordance with subsection 41(2) of the *Public Governance, Performance and Accountability Act 2013* and comply with the requirements of subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013*.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Australian National University will be able to pay its debts as and when they become due and payable.

Section 17(7) of the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* provides the University with an exemption from the application of Section 17 in that the University may elect not to apply the requirements relating to the valuation of non-financial assets. The University has elected to apply this exemption in respect of 'Plant, equipment and motor vehicles'.

The Finance Minister has granted an exemption from the requirements of section 12 of the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*. The University has applied this exemption in the presentation of the Income Statement and the Statement of Comprehensive Income.

This statement is made in accordance with a resolution of the Council.

G J EVANS AC QC  
Chancellor

I R YOUNG AO  
Vice-Chancellor

A P SINTON  
Chief Financial Officer

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# FINANCIAL STATEMENTS

## THE AUSTRALIAN NATIONAL UNIVERSITY

### INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

		Consolidated	2013	University	2013
	Notes	2014 \$'000	\$'000	2014 \$'000	\$'000
<b>INCOME FROM CONTINUING OPERATIONS</b>					
<b>Revenue</b>					
Australian Government financial assistance	2	540,987	552,428	540,987	552,428
Australian Government grants HELP					
Government Payments	2	72,530	65,323	72,530	65,323
HECS-HELP - Student payments		10,844	11,713	10,844	11,713
State Government financial assistance	3	2,863	3,010	2,863	3,010
Fees and charges	4	194,558	180,262	180,232	167,754
Investment revenue	5	55,174	51,532	58,543	54,073
Consultancy and contracts	6	82,774	59,155	62,716	53,945
Construction contract revenue	7	-	153	-	-
Other revenue	8	44,848	57,362	39,981	48,400
<b>Total Revenue from Continuing Operations</b>		<b>1,004,578</b>	<b>980,938</b>	<b>968,696</b>	<b>956,646</b>
<b>Other Income</b>					
Investment income	9	5,143	24,669	16,870	18,444
Gains/(losses) on revaluation	9	7,668	711	10,787	2,421
<b>Total Other Income from Continuing Operations</b>		<b>12,811</b>	<b>25,380</b>	<b>27,657</b>	<b>20,865</b>
<b>TOTAL INCOME FROM CONTINUING OPERATIONS</b>		<b>1,017,389</b>	<b>1,006,318</b>	<b>996,353</b>	<b>977,511</b>
<b>EXPENSES FROM CONTINUING OPERATIONS</b>					
Employees	10	520,919	519,063	512,015	515,687
Services	11	370,774	348,452	350,508	337,547
Depreciation and amortisation	12	85,936	72,089	84,463	71,424
Write-down and impairment of assets	13	9,220	23,004	9,000	22,992
Borrowing cost	14	18,827	17,343	12,107	10,629
Losses/(Gain) on disposal of assets	15	13,628	(166)	13,628	(166)
Construction expenses	16	-	43	-	-
<b>TOTAL EXPENSES FROM CONTINUING OPERATIONS</b>		<b>1,019,304</b>	<b>979,828</b>	<b>981,721</b>	<b>958,113</b>
<b>NET RESULT BEFORE INCOME TAX</b>		<b>(1,915)</b>	<b>26,490</b>	<b>14,632</b>	<b>19,398</b>
Income tax benefit/(expense)	17	3,440	(2,361)	-	-
<b>NET RESULT FROM CONTINUING OPERATIONS</b>		<b>1,525</b>	<b>24,129</b>	<b>14,632</b>	<b>19,398</b>
<b>NET RESULT FROM DISCONTINUED OPERATIONS</b>	8a	<b>1,000</b>	<b>1,245</b>	<b>-</b>	<b>-</b>
<b>NET RESULT</b>		<b>2,525</b>	<b>25,374</b>	<b>14,632</b>	<b>19,398</b>

The above statement should be read in conjunction with the accompanying notes.

THE AUSTRALIAN NATIONAL UNIVERSITY

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2014

		Consolidated		University	
		2014	2013	2014	2013
	Notes	\$'000	\$'000	\$'000	\$'000
<b>Other Comprehensive Income</b>					
<b>Net result for the period</b>		(915)	27,735	14,632	19,398
<b>Items that may be reclassified to profit or loss</b>					
Net change in fair value of available-for-sale (AFS) financial assets	32	34,351	118,808	37,225	116,137
Change in fair value of cash flow hedging instruments	32	(8,427)	6,766	(3,556)	3,916
Reclassifications to income - impairment and derecognition of AFS financial assets	32	(33,218)	(9,088)	(34,090)	(9,088)
<b>Items that will not be reclassified to profit or loss</b>					
Revaluation of property, plant and equipment	32	913	24,867	921	22,935
Defined benefit plan actuarial gains/(losses)		(126,384)	82,460	(126,384)	82,460
Other movements		(4,493)	1,560	(4,492)	1,560
<b>Total other comprehensive income before income tax</b>		(137,258)	225,373	(130,376)	217,920
Income tax on other comprehensive income		3,440	(2,361)	-	-
<b>Total comprehensive income/(loss) for the period</b>		(134,733)	250,747	(115,744)	237,318

The above statement should be read in conjunction with the accompanying notes.



THE AUSTRALIAN NATIONAL UNIVERSITY

STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2014

		Consolidated		University	
		2014	2013	2014	2013
	Notes	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	18	159,736	155,750	143,168	141,839
Loans and receivables	19	56,623	48,911	78,612	67,701
Investments	20	973,474	1,001,960	988,649	1,014,581
Investments accounted for using the equity method	21	12,192	14,290	11,242	13,065
Other financial assets	23	1,246	-	1,246	-
<b>Total Financial Assets</b>		<b>1,203,271</b>	<b>1,220,911</b>	<b>1,222,917</b>	<b>1,237,186</b>
<b>Non-Financial Assets</b>					
Land, buildings and infrastructure	22	1,709,723	1,733,610	1,698,023	1,721,609
Plant and equipment	22	178,578	185,094	177,104	184,247
Investment property	24	134,831	127,149	30,000	19,200
Intangibles	25	43,451	29,213	2,867	-
Inventories	26	6,132	3,237	2,428	1,648
Other non-financial assets	27	38,505	35,810	23,638	27,035
<b>Total Non-Financial Assets</b>		<b>2,111,220</b>	<b>2,114,113</b>	<b>1,934,060</b>	<b>1,953,739</b>
<b>TOTAL ASSETS</b>		<b>3,314,491</b>	<b>3,335,024</b>	<b>3,156,977</b>	<b>3,190,925</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	28	28,083	49,046	24,474	45,698
Other payables	29	61,920	40,895	54,279	39,002
<b>Total Payables</b>		<b>90,003</b>	<b>89,941</b>	<b>78,753</b>	<b>84,700</b>
<b>Financial Liabilities</b>					
Interest bearing liabilities	30	289,805	292,147	184,192	191,368
Other financial liabilities	23	55,740	31,769	13,520	8,734
<b>Total Financial Liabilities</b>		<b>345,545</b>	<b>323,916</b>	<b>197,712</b>	<b>200,102</b>
<b>Provisions</b>					
Employee benefits	31	857,507	770,493	856,164	769,960
<b>Total Provisions</b>		<b>857,507</b>	<b>770,493</b>	<b>856,164</b>	<b>769,960</b>
<b>TOTAL LIABILITIES</b>		<b>1,293,055</b>	<b>1,184,350</b>	<b>1,132,629</b>	<b>1,054,762</b>
<b>NET ASSETS</b>		<b>2,021,436</b>	<b>2,150,674</b>	<b>2,024,348</b>	<b>2,136,163</b>
<b>EQUITY</b>					
<b>PARENT ENTITY INTEREST</b>					
Reserves	32	1,149,921	1,157,499	1,149,363	1,150,061
Retained surpluses		871,515	993,175	874,985	986,102
<b>TOTAL EQUITY</b>		<b>2,021,436</b>	<b>2,150,674</b>	<b>2,024,348</b>	<b>2,136,163</b>
<b>CURRENT ASSETS</b>		<b>382,321</b>	<b>408,525</b>	<b>340,642</b>	<b>380,511</b>
<b>NON-CURRENT ASSETS</b>		<b>2,932,170</b>	<b>2,926,499</b>	<b>2,816,335</b>	<b>2,810,414</b>
<b>CURRENT LIABILITIES</b>		<b>236,727</b>	<b>268,478</b>	<b>221,181</b>	<b>261,593</b>
<b>NON-CURRENT LIABILITIES</b>		<b>1,056,328</b>	<b>915,872</b>	<b>911,448</b>	<b>793,169</b>

The above statement should be read in conjunction with the accompanying notes.

THE AUSTRALIAN NATIONAL UNIVERSITY

STATEMENT OF CHANGES IN EQUITY

Consolidated	Accumulated Results		Total Asset Revaluation Surplus		Total Special Reserves		Total Equity	
	2014	2013	2014	2013	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance</b>								
Balance carried forward from previous period	993,175	870,770	1,115,257	986,038	42,242	43,803	2,150,674	1,900,611
Adjustment for changes in accounting policies	-	-	-	-	-	-	-	-
Adjustments relating to equity accounted investments	1,223	958	-	-	-	-	1,223	958
<b>Adjusted opening balance</b>	<b>994,398</b>	<b>871,728</b>	<b>1,115,257</b>	<b>986,038</b>	<b>42,242</b>	<b>43,803</b>	<b>2,151,897</b>	<b>1,901,569</b>
<b>Comprehensive income</b>								
Operating surplus/(deficit) from ordinary activities	2,525	25,374	-	-	-	-	2,525	25,374
Net revaluation increase	-	-	26,837	150,443	-	-	26,837	150,443
Utilisation of Reserves	-	616	-	-	-	(616)	-	-
Adjustment direct to equity - actuarial gains/(losses) on employee superannuation liability	(126,384)	82,460	-	-	-	-	(126,384)	82,460
Adjustment for prior year depreciation	-	12,136	-	(12,136)	-	-	-	-
Adjustment for disposal of buildings	5,690	-	(5,690)	-	-	-	-	-
Other movements	(221)	(84)	-	-	-	-	(221)	(84)
Transfers to/(from) reserves	(4,493)	945	(33,218)	(9,088)	4,493	(945)	(33,218)	(9,088)
<b>Total comprehensive income</b>	<b>(122,883)</b>	<b>121,447</b>	<b>(12,071)</b>	<b>129,219</b>	<b>4,493</b>	<b>(1,561)</b>	<b>(130,461)</b>	<b>249,105</b>
<b>Total equity at the end of the financial year</b>	<b>871,515</b>	<b>993,175</b>	<b>1,103,186</b>	<b>1,115,257</b>	<b>46,735</b>	<b>42,242</b>	<b>2,021,436</b>	<b>2,150,674</b>

The above statement should be read in conjunction with the accompanying notes.

University	Accumulated Results		Total Asset Revaluation		Total Special Reserves		Total Equity	
	2014	2013	2014	2013	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance</b>								
Balance carried forward from previous period	986,102	871,163	1,107,816	986,052	42,245	43,806	2,136,163	1,901,021
<b>Adjusted opening balance</b>	986,102	871,163	1,107,816	986,052	42,245	43,806	2,136,163	1,901,021
<b>Comprehensive income</b>								
Operating surplus/(deficit) from ordinary activities	14,632	19,398	-	-	-	-	14,632	19,398
Net revaluation increase	-	-	34,590	142,988	-	-	34,590	142,988
Utilisation of Reserves	-	-	-	-	-	(616)	-	(616)
Adjustment direct to equity - actuarial gains/(losses) on employee superannuation liability	(126,384)	82,460	-	-	-	-	(126,384)	82,460
Adjustment for prior year depreciation	-	12,136	-	(12,136)	-	-	-	-
Adjustment for disposal of buildings	5,690	-	(5,690)	-	-	-	-	-
Other movements	(563)	-	-	-	-	-	(563)	-
Transfers to/(from) reserves	(4,492)	945	(34,090)	(9,088)	4,492	(945)	(34,090)	(9,088)
<b>Total comprehensive income</b>	(111,117)	114,939	(5,190)	121,764	4,492	(1,561)	(111,815)	235,142
<b>Total equity at the end of the financial year</b>	874,985	986,102	1,102,626	1,107,816	46,737	42,245	2,024,348	2,136,163

The above statement should be read in conjunction with the accompanying notes.

THE AUSTRALIAN NATIONAL UNIVERSITY

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2014

		Consolidated		University	
		2014	2013	2014	2013
Notes		\$'000	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Australian Government financial assistance		614,231	635,319	614,231	625,887
State Government financial assistance		3,082	2,778	3,082	2,778
HECS-HELP - student payments		10,844	11,713	10,844	11,713
Fees and charges		195,816	191,932	180,368	177,777
Consultancy and contracts		84,973	52,169	62,165	52,569
Interest and other investment earnings		19,949	18,506	19,861	18,071
Dividends received		24,176	26,132	27,155	29,160
Other receipts		80,532	72,977	74,949	66,747
<b>Total cash received</b>		<b>1,033,603</b>	<b>1,011,526</b>	<b>992,655</b>	<b>984,702</b>
<b>Cash used</b>					
Payments to employees and pensioners		557,562	525,648	548,818	521,985
Direct investment expenses		554	405	-	405
Borrowing expenses		19,057	14,863	12,824	8,132
Payments to services		409,888	379,580	386,604	362,398
Income taxes		-	(67)	-	-
<b>Total cash used</b>		<b>987,061</b>	<b>920,429</b>	<b>948,246</b>	<b>892,920</b>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	33	<b>46,542</b>	<b>91,097</b>	<b>44,409</b>	<b>91,782</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment		633	2,091	633	865
Loan repayments		100	-	100	100
Transfer from furniture, fitting & equipment reserve		171	-	-	-
Proceeds from sale and maturity of investments		597,760	599,438	595,206	597,890
<b>Total cash received</b>		<b>598,665</b>	<b>601,529</b>	<b>595,939</b>	<b>598,855</b>
<b>Cash used</b>					
Loan advances		-	-	6,000	-
Purchase of property, plant and equipment		71,084	87,180	70,598	87,145
Transfer to furniture, fitting & equipment reserve		283	265	-	-
Purchase of investments		561,351	576,509	555,051	576,509
<b>Total cash used</b>		<b>632,718</b>	<b>663,954</b>	<b>631,649</b>	<b>663,654</b>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(34,054)</b>	<b>(62,425)</b>	<b>(35,711)</b>	<b>(64,799)</b>
<b>FINANCING ACTIVITIES</b>					
Repayments of borrowings		8,502	8,173	7,370	7,190
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(8,502)</b>	<b>(8,173)</b>	<b>(7,370)</b>	<b>(7,190)</b>
<b>NET INCREASE (DECREASE) IN CASH HELD</b>		<b>3,986</b>	<b>20,499</b>	<b>1,329</b>	<b>19,793</b>
Cash and cash equivalents at 1 January	18	155,750	135,251	141,839	122,046
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	18	<b>159,736</b>	<b>155,750</b>	<b>143,168</b>	<b>141,839</b>

The above statement should be read in conjunction with the accompanying notes.

THE AUSTRALIAN NATIONAL UNIVERSITY

SCHEDULE OF COMMITMENTS  
AS AT 31 DECEMBER 2014

	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
<b>BY TYPE</b>				
<b>Capital Commitments</b>				
Property, plant and equipment	35,048	49,834	35,048	49,834
<b>Total Capital Commitments</b>	<b>35,048</b>	<b>49,834</b>	<b>35,048</b>	<b>49,834</b>
<b>Other Commitments</b>				
Operating leases	3,564	3,668	3,181	3,539
Good and services	34,551	34,345	34,551	34,345
<b>Total Other Commitments</b>	<b>38,115</b>	<b>38,013</b>	<b>37,732</b>	<b>37,885</b>
<b>Commitments Receivable</b>	<b>(6,651)</b>	<b>(6,679)</b>	<b>(6,616)</b>	<b>(6,679)</b>
<b>Net Commitments by Type</b>	<b>66,512</b>	<b>81,168</b>	<b>66,164</b>	<b>81,039</b>
<b>BY MATURITY</b>				
All net commitments				
One year or less	48,511	64,406	48,252	64,342
From one to five years	18,001	16,581	17,912	16,516
Greater than five years	-	181	-	181
<b>Net Commitments by Maturity</b>	<b>66,512</b>	<b>81,168</b>	<b>66,164</b>	<b>81,039</b>
<b>Operating lease commitments</b>				
One year or less	1,710	1,391	1,417	1,327
From one to five years	1,010	2,277	921	2,212
Greater than five years	843	-	843	-
<b>Total Operating Lease Commitments Payable</b>	<b>3,563</b>	<b>3,668</b>	<b>3,181</b>	<b>3,539</b>
<b>Commitments Receivable</b>	<b>(324)</b>	<b>(322)</b>	<b>(289)</b>	<b>(322)</b>
<b>Net Operating Lease Commitments Payable</b>	<b>3,239</b>	<b>3,346</b>	<b>2,891</b>	<b>3,217</b>

NB: Commitments are GST inclusive where relevant

The above statement should be read in conjunction with the accompanying notes.

## NOTES TO AND FORMING PART OF THE ACCOUNTS

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NOTES continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all years presented, unless otherwise stated. The financial report includes separate financial statements for The Australian National University ("the University") as an individual entity and the consolidated entity consisting of the University and its subsidiaries (the Group). The term "the University" in this context covers all aspects of total operations of the University excluding subsidiaries (see Note 50), and includes funds from a number of sources that can only be applied to restricted purposes. These funds are separately identified at Note 20 (a).

1.1 Basis of preparation of the Financial Statements

The University is a non-profit Corporate Commonwealth entity and is required under Section 46 of the Public Governance, Performance and Accountability Act 2013 to provide the responsible Minister with an annual report including annual financial statements. The financial statements are general purpose financial statements.

The statements have been prepared in accordance with the Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (the Rule), Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and Financial Statements Guidelines for Higher Education Providers for 2014 issued in accordance with Section 19-10(2)(a) of the Higher Education Support Act by the Department of Education.

The University has applied the following exemptions that are permissible under the Rule and granted by the Finance Minister:

- (a) Section 17(7) of the Rule provides the University with an exemption from the application of Section 17 in that the University may elect not to apply the requirements relating to the valuation of non-financial assets. The University has elected to apply this exemption in respect of 'Plant, equipment and motor vehicles'; and
- (b) The Finance Minister has granted an exemption from the requirements of Section 12 of the Rule. The University has applied this exemption in the presentation of the Income Statement and Statement of Comprehensive Income.

The University applies Tier 1 reporting requirements.

The Financial Statements have been authorised for issue on 27 March 2015.

The Income Statement, Statement of Comprehensive Income and Statement of Financial Position have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets and liabilities, which as noted, are at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

a. Critical accounting estimates and judgements

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the University's accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis. Critical accounting estimates and judgements have been exercised in a number of circumstances as detailed below and in addition Notes 21, 43 and 51.

b. Compliance with Australian Accounting Standards

The Financial Statements and Notes of the University comply with Australian Accounting Standards, including the Interpretations, some of which contain requirements specific to not-for-profit (NFP) entities that are inconsistent with IFRS requirements. The main NFP entity provisions, adopted by the parent entity, are in respect of the following:

- Accounting for Government grants. AASB 1004 Contributions requires contributions received or receivable to be recognised immediately as revenue when: the entity obtains control of the contribution or the right to receive the contribution; it is probable that the economic benefits comprising the contribution will flow to the entity; and the amount of the contribution can be measured reliably;
- Impairment of assets. Under AASB 136 Impairment of Assets, a NFP entity is entitled to recognise any impairment loss on a revalued asset directly against the available revaluation reserve in respect of the same class of asset; and
- Assets received at nil or nominal value. Under AASB 102 Inventories, AASB 138 Intangible Assets, AASB 140 Investment Properties, and AASB 116 Property, Plant and Equipment, a NFP entity is entitled to recognise an asset, acquired at no cost or nominal cost, at its fair value as at the date of acquisition.

1.2 Accounting Policies, Changes in Accounting Estimates and Errors

There have been no material adjustments or changes in accounting policies and accounting estimates in 2014.

1.3 Basis of consolidation

a. Subsidiaries

The consolidated financial report is prepared in accordance with AASB 127 Consolidated and Separate Financial Statements. The financial report includes the accounts of the parent entity, The Australian National University, and the accounts of the wholly and beneficially owned subsidiary companies ANU Enterprise Pty Ltd incorporated in Australia (including its wholly owned subsidiaries Australian Scientific Instruments Pty Ltd and The Social Research Centre Pty Ltd), ANU Section 68 Pty Ltd incorporated in Australia, ANU (UK) Foundation incorporated in England and Wales, BRU Holdings Pty Ltd incorporated in Australia (including its wholly owned subsidiary BRU Project Pty Ltd) and SA2 Holdings Pty Ltd incorporated in Australia (including its wholly owned subsidiary SA2 Project Pty Ltd).

Subsidiaries are all those entities (including structured entities) over which the Group has control. The Group has control over an investee when it is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power over the investee exists when the Group has existing rights that give it current ability to direct the relevant activities of the investee. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Returns are not necessarily monetary and can be only positive, only negative, or both positive and negative.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Separate financial reports are also prepared by the University's controlled entities and are audited by the Australian National Audit Office (except for the ANU UK Foundation).

The ANU UK Foundation is incorporated in the England and Wales and is entitled to an exemption from the requirement to have an audit in the England and Wales under the provisions of Section 477 of the Companies Act (UK) 2006. The financial report of the Foundation has been prepared in accordance with the Special Provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act (UK) 2006. The accounts of the Foundation are not audited by the Auditor-General as the Foundation is not an Australian based entity.



NOTES continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

b. Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for in the parent entity financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition (refer to Note 21).

The Group's share of its associates' post acquisition profits or losses is recognised in the income statement, and its share of post acquisition movements in reserves is recognised in reserves. The cumulative post acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the parent entity's income statement, while in the consolidated financial statements they reduce the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

c. Joint arrangements

Joint operations

The proportionate interests in the assets, liabilities and expenses of a joint operation have been incorporated in the financial statements under the appropriate headings. Details of the joint operation are set out in Note 49.

Joint ventures

The interest in a joint venture entity is accounted for in the consolidated financial statements using the equity method and is carried at cost by the parent entity. Under the equity method, the share of the profits or losses of the entity is recognised in the income statement, and the share of movements in reserves is recognised in reserves in the statement of comprehensive income and the statement of changes in equity. Details relating to the entity are set out in Note 21.

1.4 Foreign currency translation

a. Functional and presentation currency

The financial report is presented in Australian dollars.

b. Foreign currency transactions

Transactions denominated in a foreign currency are converted at the rate of exchange prevailing at the date of the transaction. At balance date, amounts receivable and payable in a foreign currency are translated at the exchange rate prevailing at that date and any exchange differences are brought to account in the Income Statement.

1.5 Rounding of amounts

Amounts in the financial report have been rounded off to the nearest thousand dollars, or in certain cases, the nearest dollar.

1.6 Comparative figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation in these financial statements.

1.7 Revenue Recognition

The University's operating revenue consists of Australian Government Financial Assistance including Higher Education Funding Act (HEFA), Higher Education Support Act (HESA), Higher Education Contribution Scheme (HECS), Higher Education Loan Programmes (HELP), Australian Research Council grants, ACT Government Financial Assistance, fees and charges, consultancy and contract research, investment income, and sales of goods and services.

The University treats operating grants, research and other income received from Australian Government entities and other funding bodies as income in the year of receipt.

Fees and charges are recognised as income in the year of receipt, except to the extent that fees and charges relate to courses to be held in future periods. Such income is treated as income in advance. Fees and charges relating to debtors are recognised as revenue in the year to which the prescribed course relates.

Interest income is recognised on a time proportionate basis that takes into account the effective yield on the relevant asset.

Dividend income is recognised when a dividend is declared.

Other investment revenue is recognised as it is received, with the exception of unrealised gains and losses which arise from the year end valuation process.

Revenue from sales of goods and services is recognised when the service is delivered or the goods are delivered.

## THE AUSTRALIAN NATIONAL UNIVERSITY

### NOTES continued

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

##### 1.8 Income Tax

The University is exempt from income tax under Commonwealth legislation whilst the controlled entities, ANU Enterprise Pty Ltd, ANU Section 68 Pty Ltd, BRU Holdings Pty Ltd and SA2 Holdings Pty Ltd address taxation in the following way:

ANU Enterprise Pty Ltd has self-assessed as complying with the requirements to be regarded as a Charitable Institution for taxation purposes and as such has made no provision for income tax.

Australian Scientific Instruments Pty Ltd and The Social Research Centre Pty Ltd (subsidiaries of ANU Enterprise Pty Ltd), BRU Holdings Pty Ltd, BRU Project Pty Ltd (a subsidiary of BRU Holdings Pty Ltd), SA2 Holdings Pty Ltd, SA2 Project Pty Ltd (a subsidiary of SA2 Holdings Pty Ltd) and ANU Section 68 Pty Ltd are not exempt from income tax. The income tax expense for the period is the tax payable on the current period's taxable income based on the notional income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of the assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses. Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability.

##### 1.9 Leases

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis, over the period of the lease.

##### 1.10 Impairment of Non-Financial Assets

The University assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the University makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds the recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in the Income Statement in Impairment Loss expense unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

##### 1.11 Reversals of Impairment

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount.

The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Income Statement unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over the remaining useful life.

An impairment loss recognised for Goodwill cannot be reversed in a subsequent period.

##### 1.12 Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

##### 1.13 Inventories

Inventories held for resale are valued at the lower of cost or net realisable value. Inventories held for distribution are valued at cost, adjusted for any loss of service potential. Costs are assigned to inventories using last purchase cost including costs incurred in bringing each product to its present location and condition. Equipment being constructed for on-sale to third parties is held as work in progress at the cost of construction as at balance date.

NOTES continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

1.14 Financial Assets

University Funds are invested in accordance with Section 6(2) of the Australian National University Act 1991 (as amended) using guidelines approved by the Council of the University.

Financial assets are included in non-current assets unless management intends to dispose of the asset within twelve months of the balance sheet date.

The categorisation of financial assets depends on the nature and purpose of the financial asset and is determined at the time of initial recognition in accordance with AASB 139 Financial Instruments: Recognition and Measurement.

Financial assets are recognised and derecognised upon 'trade date'.

**a. The University classifies its financial assets in the following categories:**

Financial assets as at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss where the financial assets are a derivative that is not designated and effective as a hedging instrument.

Assets in this category are classified as current assets.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in the profit or loss. The net gain or loss recognised in profit or loss incorporates any interest earned on the financial asset.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the asset within 12 months of the balance date.

Available-for-sale financial assets are initially recognised at fair value plus transaction costs.

Available-for-sale financial assets are recorded at fair value. Gains and losses arising from changes in fair value are recognised directly in the reserves (equity) with the exception of impairment losses. Interest is calculated using the effective interest method and foreign exchange gains and losses on monetary assets are recognised directly in profit or loss. Where the asset is disposed of or is determined to be impaired, part or all of the cumulative gain or loss previously recognised in the reserve is included in profit for the period.

Investments in Available-for-sale equity instruments which do not have a quoted market price in an active market and where fair value cannot be reliably measured are measured at cost.

Loans and receivables

Trade receivables, loans and other receivables are non-derivative assets that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables' and are included in current assets. Loans and receivables with maturities greater than 12 months after the balance sheet date are classified as non-current assets.

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are due for settlement in no more than 30 days.

**b. The following classes have been identified by the University in accordance with AASB 7 Financial Instrument Disclosure:**

Financial assets at fair value through statement of other comprehensive income

Receivables – Derivative instruments

Available-for-sale financial assets

Australian cash deposits and short term securities  
Overseas denominated cash deposits and short term securities  
Investments – Interest bearing securities  
Investments – Domestic shares and listed securities  
Investments – Domestic unlisted securities  
Investments – Overseas managed funds

Loans and receivables

Loans and receivables

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis.

Fair Value

The fair values of investments and other financial assets are based on quoted prices in an active market. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques, that maximise the use of relevant data. These include reference to the estimated price in an orderly transaction that would take place between market participants at the measurement date. Other valuation techniques used are the cost approach and the income approach based on the characteristics of the asset and the assumptions made by market participants.

## NOTES continued

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

## 1.14 Financial Assets continued

## c. Impairment of financial assets

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired.

Collectability of trade receivables is reviewed on an ongoing basis. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement within 'write down of assets' and 'other expenses'. A provision for impairment of receivables is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short-term receivable are not discounted if the effect of discounting is immaterial. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited against other expense in the Income Statement.

If there is objective evidence that the cost may not be recovered, an available-for-sale investment is considered to be impaired. For available-for-sale equity instruments, objective evidence that the cost may not be recovered, in addition to qualitative impairment criteria, includes a significant or prolonged decline in the fair value below cost. The University's policy considers a significant decline to be one in which the fair value is below the cost by more than 20% and a prolonged decline to be one in which the fair value is below the cost for greater than 12 months.

If an available-for-sale investment is impaired based on the entity's qualitative or quantitative impairment criteria, any further declines in the fair value at subsequent reporting dates are recognised as impairments. Therefore, at each reporting period, for an available-for-sale investment that is determined to be impaired based upon the entity's impairment criteria, an impairment is recognised for the difference between the fair value and the original cost basis, less any previously recognised impairment.

For debt instruments, where there is a decrease in the impairment loss in a subsequent period which can be related objectively to an event after recognition of the impairment, the previous impairment loss is reversed through the Income Statement. Impairment losses on investments in equity instruments are reversed through equity.

## 1.15 Financial Liabilities

## a. Suppliers and other payables

Trade creditors and accruals are recognised at their nominal amounts, being amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received.

## b. Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

## 1.16 Derivative Financial Instruments

The Group enters into a variety of derivative instruments to manage its exposure to interest rate and foreign currency risk, including interest rate swaps and forward foreign exchange contracts.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised immediately in the profit and loss unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Group designates derivatives as hedges of the fair value of recognised assets, liabilities or firm commitments ("fair value hedges"), or hedges of highly probable forecast transactions ("cash flow hedges").

Hedge Accounting

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Note 23 contains details of the fair values of the derivative instruments used for hedging purposes.

## (a) Fair Value Hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit and loss immediately, together with any changes in the fair value of the hedged asset or liability that is attributable to the hedged risk. Hedge accounting is discontinued when the hedge instrument expires or is sold, terminated, exercised, or no longer qualifies for hedge accounting. The adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit and loss from that date.

## (b) Cash Flow Hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in the hedging reserve recorded in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Amounts deferred in equity are recycled to profit or loss in the periods when the hedged item is recognised in profit or loss in the same line of the Statement of Profit or Loss and Other Comprehensive Income as the recognised hedged item. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss deferred in equity remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in profit or loss.

## NOTES continued

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

## 1.17 Fair value measurement

The fair value of assets and liabilities must be measured for recognition and disclosure purposes.

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value of assets or liabilities traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices for identical assets or liabilities at the end of the reporting period (level 1). The quoted market price used for assets held by the Group is the most representative of fair value in the circumstances within the bid-ask spread.

The fair value of assets or liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments (level 2) are used for long-term debt instruments held. Other techniques that are not based on observable market data (level 3) such as estimated discounted cash flows, are used to determine fair value for the remaining assets and liabilities. The fair value of interest-rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the end of the reporting period. The level in the fair value hierarchy is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Fair value measurement of non-financial assets is based on the highest and best use of the asset. The Group considers market participants use of, or purchase price of the asset, to use it in a manner that would be highest and best use.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

## 1.18 Property, Plant and Equipment

## a. Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than \$5,000, which are expensed in the year of acquisition (other than where they form part of similar items which are significant in total).

## b. Property, plant and equipment

Land and buildings (except for investment properties) are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at either deemed or historical cost less depreciation. Deemed cost represents the Fair Value of P&E held as at January 2005. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in equity under the heading of revaluation surplus. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset class are also recognised in other comprehensive income to the extent of the remaining reserve attributable to the asset class. All other decreases are charged to the income statement.

## c. Depreciation

Depreciable property, plant and equipment assets are written off to their estimated residual value over their estimated remaining useful lives to the University using, in all cases, the straight line method of depreciation. Depreciation of property, plant and equipment commences when the asset is available for use.

Land, heritage, cultural assets and works of art are assessed as having an indefinite useful life and are not depreciated. The aggregate amount of depreciation allocated for each class of assets during the reporting period is disclosed in Note 12.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	<u>At Acquisition</u>	<u>At Revaluation</u>
	<u>Years</u>	<u>Years</u>
Buildings, Dwellings & Infrastructure	40	1 to 79
Plant and Equipment		
Motor vehicles	7	2 to 30
Computing equipment	5	1 to 17
Research / teaching equipment	7	1 to 44
Supercomputer	3	-
Other	10	1 to 50

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

NOTES continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

1.18 Property, Plant and Equipment continued

d. Valuation

Land as identified in Note 42, has been brought to account. Substantially all of the land in the Australian Capital Territory and the Northern Territory was revalued in 2013. The valuation was completed by independent valuers, the Australian Valuation Office. The valuation was on the basis of Fair Value for financial reporting purposes, in accordance with the requirements of AASB 116 and the Financial Reporting Rule issued by the Department of Finance. These sites are provided free of charge by lease in perpetuity and the resultant valuation increment has been credited directly to the asset revaluation reserve.

Substantially all of the campus buildings and dwellings were revalued in 2012. The valuations were completed by independent valuers, Asset Val Pty Ltd. The Depreciated Replacement Cost approach was used to establish the Market Value for the Existing Use of the properties. The net revaluation increment was credited directly to the asset revaluation reserve. Campus buildings completed subsequent to the valuation are disclosed at cost. These assets are revalued every three years.

The initial costs of developing major administrative systems were initially captured and recognised within plant and equipment and are being amortised. Ongoing maintenance and development costs are expensed as incurred.

Rare library materials, including the Noel Butlin Archives, were revalued in 2013. The basis of the valuation was based on research of recent records of Australian and international sales, purchases and other forms of acquisition. The valuation was completed by an independent qualified valuer, Mr Peter Tinslay.

Works of art were revalued in 2014. The valuation was completed by independent qualified valuers, Aon Risk Services Australia Ltd. Works of art purchased subsequent to the valuation are disclosed at cost.

e. Repairs and maintenance

Repairs and maintenance costs are recognised as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case, the costs are capitalised and depreciated. Other routine operating maintenance, repair and minor renewal costs, are also recognised as expenses, as incurred.

f. Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the year the asset is derecognised.

1.19 Intangible Assets

Intellectual property developed internally has not been brought to account as it cannot be reliably measured.

Goodwill in relation to ANU Enterprise Pty Limited, BRU Holdings Pty Limited and SA2 Holdings Pty Limited relates to goodwill arising on the acquisition of a subsidiary and represents the excess of the cost of the investment over the fair value of the net assets acquired at the date of the exchange. Goodwill is measured at cost less accumulated impairment losses. Goodwill is tested for impairment on an annual basis.

1.20 Research and Development Costs

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the Income Statement when incurred.

Development activities involve a plan or design for the production of new or substantially improved products or processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the University and/or its related entities intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in the Income Statement when incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

1.21 Borrowing Expenses

All borrowing costs are expensed as incurred.

1.22 Provisions

Provisions are recognised when the University has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the University expects some or all of the provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Income Statement net of any reimbursement.

NOTES continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

1.23 Employee Benefits

a. Employee Entitlements

Short-term obligations

Liabilities for short-term employee benefits including wages and salaries, non-monetary benefits and profit-sharing bonuses are measured at the amount expected to be paid when the liability is settled, if it is expected to be settled wholly before twelve months after the end of the reporting period, and is recognised in employee benefits. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates payable.

Other long-term obligations

Provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least twelve months after the reporting date, in which case it would be classified as a non-current liability. Other long-term employee benefits include such things as annual leave and long service leave liabilities, which are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. The liability for Long Service Leave as at 31 December 2014 has been determined in accordance with the shorthand method as permitted under Section 24(i)(b) Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 and based on reference to work undertaken by the Australian Government Actuary. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. In accordance with AASB 119 Employee Benefits, the University has adopted the market yields on the longest dated 10 year Commonwealth bonds on issue as at valuation date for the purpose of calculating present values of future cash flows.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. The Group recognises termination benefits either when it can no longer withdraw the offer of those benefits or when it has recognised costs for restructuring within the scope of AASB137 that involves the payment of termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits not expected to be settled wholly before 12 months after the end of the reporting period are discounted to present value.

Provisions

Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability.

No provision has been made for personal leave as all personal leave is non-vesting and the average personal leave taken by employees is less than the annual entitlement for personal leave.

b. Pensions and Other Post-Employment Benefits

The University participates in a defined benefit plan (Commonwealth Superannuation Scheme) which requires contributions to be made to the separately administered fund. The cost of providing benefits under the defined benefit plan is determined separately using the projected unit credit actuarial valuation method. Actuarial gains and losses are recognised in Other Comprehensive Income, in accordance with AASB119 Employee Benefits.

In addition the University contributes to the Superannuation Scheme for Australian Universities which is a defined benefit plan under Superannuation Law but, as a result of amendments to Clause 34 of UniSuper, a defined contribution plan under Accounting Standard AASB 119.

Details of the Scheme are outlined in Note 43.

1.24 Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the item of expense. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position. Cash flows are included in the Cash Flow Statement on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

1.25 Investment Property

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value, which is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the property. If this information is not available or appropriate, the valuer uses alternative valuation methods such as recent prices in less active markets, discounted cash flow projections or original cost plus a cost escalation factor. Gains or losses arising from changes in the fair value of investment property are included in the profit or loss in the period in which they arise.

The University revalued its student accommodation investment property as at 31 December 2014 in accordance with the valuation conducted by Blak Box Pty Ltd trading under licence as Knight Frank Valuations Canberra. The valuation assessment is based on the cost approach which considers the cost of actual construction with cost escalation factors applied from the date of construction through to the date of valuation.

The University has adopted a University Management valuation for its commercial office building investment property as at 31 December 2014. The valuation assessment is derived from the outcomes of a competitive process relating to the proposed disposal of the property.



NOTES continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

1.26 Future Australian Accounting Standard requirements

Adoption of New Australian Accounting Standards

The following new standards, amendments to standards or interpretations, considered to be applicable to the University, came into effect for the first time in the current financial year. All relevant standards and interpretations have been adopted by the University. None of these have resulted in changes in accounting policies for the current period.

AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052]

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]

AASB 2011-7 (NFP) Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16, 17] [ for not-for-profit entities]

2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]

AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets

AASB 2013-4 Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting [AASB 139]

2013-8- Australian Implementation Guidance to AASB 10 for Not-for-Profit Entities

AASB 10 – Consolidated Financial Statements

AASB 11 – Joint Arrangements

AASB 12 – Disclosure of Interests in Other Entities

ASB 128 – Investments in Associates and Joint Ventures

AASB 1031 - Materiality

The following new standards, amendments to standards or interpretations, considered to be applicable to the University, have been issued by the Australian Accounting Standards Board but are effective for future reporting periods. It is estimated that the impact of adopting these pronouncements when effective will have no material financial impact on future reporting periods.

2013-9C - Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments

2014-1A - Amendments to Australian Accounting Standards

2014-1B – Amendments to Australian Accounting Standards

2014-1C - Amendments to Australian Accounting Standards

2014-4 - Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation

2014-7 - Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)

2014-10 Amendments to Australian Accounting Standards – Sale of Contribution of Assets Between Investor and its Associate or Joint Venture

2014-5 - Amendments to Australian Accounting Standards arising from AASB 15

2015-1 - Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle

2015-2 - Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101

2015-3 - Amendments to Australian Accounting Standards Arising from the Withdrawal of AASB 1031 Materiality

AASB 9 – Financial Instruments

AASB 15 – Revenue from Contracts with Customers

1.27 Gains

Gains from disposal of non-current assets are recognised when control of the asset has passed to the buyer.

1.28 Reserves

The University has the following reserves:

Asset revaluation reserves

These reserves are used to account for the increases or decreases in the value of assets as a result of valuations.

Increases in the value of reserves are in accordance with valuation of assets policies stated in Note 1.18. Decrements in reserves are either on disposal of assets where the disposed asset had previously been revalued and a reserve existed or on impairment of assets in accordance with AASB 136 Impairment of Assets where a revaluation reserve had existed for that asset class.

Special Reserves

These reserves are maintained to cover a range of special purposes:

Building – is maintained by the University, from amounts set aside out of profits primarily from the operation of University Halls of Residences and other trading activities to fund significant and unplanned maintenance requirements.

Equipment and Equipment replacement – is maintained by the University to meet unforeseen purchases of significant specialist research equipment.

Self insurance – is maintained by the University to meet the deductible component that may arise in regard to possible future claims under the University's insurance policies.

1.29 Unrecognised Financial Liabilities

Guarantees, not recognised in the Statement of Financial Position are disclosed in the Contingent Liabilities note. At the time of completion of the financial statements, there was no reason to believe that these guarantees would be called upon, and recognition of a liability was therefore not required.

NOTES continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

1.30 Interest in Co-operative Research Centres (CRC's)

The University also has interests in a number of CRC joint venture operations, contributions to which are expensed. Details of the CRC joint ventures are provided in Note 44.

1.31 Private Sector Participation in the provision of Student Accommodation

The University has entered into two agreements where, under long term lease arrangements of its land, student accommodation facilities (SAF) have been constructed and are owned by subsidiary companies, BRU Holdings Pty Ltd and SA2 Holdings Pty Ltd, and operated by UniLodge Australia Pty Ltd. The University moved to full ownership of BRU Holdings Pty Ltd and SA2 Holdings Pty Ltd on 4 April 2012. Under the terms of the project deeds, ownership in the accommodation complex reverts to the University 40 years after the opening of the SAF's. At this stage the emerging share of the asset is not material. The SAF's provide accommodation to approximately 993 students. The first facility was opened in January 2007 and the second in January 2009.

1.32 Business Combinations

The acquisition method shall be applied to account for each business combination; this does not include a combination of entities or businesses under common control, the formation of a joint venture, or the acquisition of an asset or a group of assets. The acquisition method requires identification of the acquirer, determining the acquisition date and recognising and measuring the identifiable assets acquired, liabilities assumed, any goodwill or gain from a bargain purchase and any non-controlling interest in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. Identifiable assets acquired, liabilities assumed and any non-controlling interest in the acquiree shall be recognised separately from goodwill as of the acquisition date. Intangible assets acquired in a business combination are recognised separately from goodwill if they are separable, but only together with a related contract, identifiable asset or liability. Acquisition related costs are expensed in the periods in which they are incurred with the exception of costs to issue debt or equity securities, which are recognised in accordance with AASB132 and AASB139.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Measurement of any non-controlling interest in the acquiree is at fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by Australian Accounting Standards. Contingent liabilities assumed are recognised as part of the acquisition if there is a present obligation arising from past events and the fair value can be reliably measured. The excess at the acquisition date of the aggregate of the consideration transferred, the amount of any non-controlling interest and any previously held equity interest in the acquiree, over the net amounts of identifiable assets acquired and liabilities assumed is recognised as goodwill. If the cost of acquisition is less than the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the income statement of the acquirer, but only after a reassessment of the identification and measurement of the net assets acquired.

## NOTES continued

**2. AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE INCLUDING HIGHER EDUCATION FUNDING ACT (HEFA), HIGHER EDUCATION CONTRIBUTION SCHEME (HECS) - HELP AND OTHER AUSTRALIAN GOVERNMENT LOAN PROGRAMMES**

The information provided in this note is only relevant to the University - consolidated figures are not provided.

	Notes	University 2014 \$'000	2013 \$'000
<b>(a) Commonwealth Grant Scheme and Other Grants</b>	52.1		
Commonwealth Grants Scheme		68,330	68,069
Indigenous Support Programme		562	661
Partnership & Participation Programme		747	810
Disability Support Programme		84	110
National Institutes Funding		189,718	187,951
Facilitation Funding		-	4,480
Promotion of Excellence in Learning and Teaching		210	255
Total Australian Government Grants Scheme and Other Grants		259,651	262,336
<b>(b) Higher Education Loan Programs</b>	52.2		
HECS - HELP		44,225	41,579
FEE - HELP		27,246	22,621
SA - HELP	52.7	1,059	1,123
Total Higher Education Loan Programmes		72,530	65,323
<b>(c) Scholarships</b>	52.3		
Australian Postgraduate Awards		14,720	13,907
International Postgraduate Research Scholarships		1,213	1,186
Indigenous Access Scholarships		19	(45)
Commonwealth Education Costs Scholarships		(35)	(472)
Commonwealth Accommodation Scholarships		35	(31)
Total Scholarships		15,952	14,545
<b>(d) Education Research</b>	52.4		
Commercialisation Training Scheme		-	(555)
Education Investment Fund - Capital Funding		-	4,268
Joint Research Engagement Program		19,944	19,697
JRE Engineering Cadetships		-	168
Research Infrastructure Block Grants		14,729	13,551
Research Training Scheme		36,304	35,795
Sustainable Research Excellence		12,001	11,397
Total Education - Research Grants		82,978	84,321
<b>(e) Australian Research Council</b>	52.5		
<b>(e)(i) Discovery</b>	52.5(a)		
Project		30,938	32,719
Fellowships		24,230	23,388
Indigenous Researchers Initiatives		650	498
Early Career Researcher Award		8,799	7,162
Total Discovery		64,617	63,767
<b>(e)(ii) Linkages</b>	52.5(b)		
Infrastructure		3,081	2,590
International Researcher Exchange		-	(88)
Projects		4,695	5,990
Total Linkages		7,776	8,492
<b>(e)(iii) Networks and Centres</b>	52.5(c)		
Centres		7,359	3,308
Total Networks and Centres		7,359	3,308

## NOTES continued

**2. AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE INCLUDING HIGHER EDUCATION FUNDING ACT (HEFA), HIGHER EDUCATION CONTRIBUTION SCHEME (HECS) - HELP AND OTHER AUSTRALIAN GOVERNMENT LOAN PROGRAMMES continued**

The information provided in this note is only relevant to the University - consolidated figures are not provided.

Notes	University	
	2014 \$'000	2013 \$'000
<b>(f) Other Australian Government financial assistance:</b>		
<b>(f)(i) Non-Capital</b>		
Agriculture (previously Agriculture, Fisheries and Forestry)	2,354	1,072
Communications (previously Broadband, Communications and the Digital Economy)	2,392	1,920
Environment (previously Climate Change and Energy Efficiency)*	(77)	177
Defence	3,532	3,717
Education (previously Education, Employment and Workplace Relations)	6,353	1,734
Environment (previously Sustainability, Environment, Water, Population and Communities)*	2,438	14,167
Social Services (previously Families, Housing, Community Services and Indigenous Affairs)	7,741	1,472
Foreign Affairs and Trade	26,859	31,671
Health (previously Health and Ageing)	31,242	23,917
Infrastructure and Regional Development (previously Infrastructure, Transport, Regional Development and Local Government)	83	-
Industry (previously Innovation, Industry, Science, Research, Tertiary Education and Climate Change)*	10,420	23,286
Prime Minister and Cabinet	362	664
Industry (previously Resources, Energy and Tourism)*	6,526	6,680
Other	2,429	2,622
<i>* listed separately for comparison purpose, to be combined from 2015</i>		
<b>(f)(ii) Capital</b>		
Industry	-	2,560
Total Other Australian Government financial assistance	102,654	115,659
Total Australian Government financial assistance	613,517	617,751
<b>Reconciliation</b>		
Australian Government grants [a+c+d+e+f]	540,987	552,428
HECS-HELP - Australian Government payments	44,225	41,579
FEE - HELP	27,246	22,621
SA - HELP	1,059	1,123
Total Australian Government financial assistance	613,517	617,751
<b>(g) Australian Government Grants received - cash basis:</b>		
CGS and Other Department of Education Grants	259,651	262,336
Higher Education Loan Programmes	72,530	65,323
Scholarships	15,952	14,545
Department of Education Research	82,978	84,321
ARC Grants - Discovery	64,617	63,767
ARC Grants - Linkages	7,776	8,492
ARC Grants - Networks and Centres	7,359	3,308
Other Australian Government Grants	103,609	123,714
Total Australian Government Grants received - cash basis	614,472	625,806
OS-Help (Net) *	(241)	81
Total Australian Government funding received - cash basis	614,231	625,887
<i>* OS-Help receipts from the Australian Government are not included in the Income Statement.</i>		
<b>Capital Funding</b>		
Capital Funding is defined as non-recurring funding received by the University from Australian Government departments for special projects. Included in Total Australian Government Financial Assistance are the following capital grants:		
Industry (previously Innovation, Industry, Science, Research, Tertiary Education and Climate Change)	-	6,828
	-	6,828

## NOTES continued

	Notes	Consolidated 2014 \$'000	2013 \$'000	University 2014 \$'000	2013 \$'000
<b>3. STATE GOVERNMENT FINANCIAL ASSISTANCE</b>					
ACT Government grants were received by the University during the reporting period:					
Non-Capital Contributions		2,863	3,010	2,863	3,010
Total state government financial assistance		2,863	3,010	2,863	3,010
<b>4. FEES AND CHARGES</b>					
Fees and charges collected during the reporting period were:					
<b>Course fees and charges</b>					
Continuing education & conferences		4,196	6,085	4,515	6,599
Fee-paying onshore overseas students		116,404	103,267	116,404	104,647
Fee-paying offshore overseas students		1,664	2,009	1,664	2,009
Fee-paying domestic postgraduate students		9,519	7,339	9,519	7,339
Fee-paying domestic non-award students		570	531	570	531
Total course fees and charges		132,353	119,231	132,672	121,125
<b>Other fees and charges</b>					
Parking fees		3,618	2,480	3,647	2,454
Rentals and hire facilities		5,605	5,733	5,020	5,155
Land Lease Premium		117	117	117	117
Student accommodation		49,192	48,298	36,603	35,944
Student services fees from students	52.7	2,979	3,133	2,979	3,203
Other student charges and fines		694	1,270	(806)	(244)
Total other fees and charges		62,205	61,031	47,560	46,629
Total fees and charges		194,558	180,262	180,232	167,754
<b>5. INVESTMENT REVENUE</b>					
Interest		19,924	21,751	19,577	21,264
Dividends		33,773	28,590	37,489	31,618
Rentals from investment properties		2,031	1,596	2,031	1,596
Direct investment expenditure		(554)	(405)	(554)	(405)
Total other investment revenue less direct investment expenditure		55,174	51,532	58,543	54,073
<b>6. CONSULTANCY AND CONTRACTS</b>					
Consultancy research		702	986	740	989
Contract research		55,712	48,090	55,681	49,808
Consultancy non-research		21,345	8,909	1,013	1,922
Contract non-research		5,015	1,170	5,282	1,226
Total consultancy and contracts		82,774	59,155	62,716	53,945
<b>7. CONSTRUCTION CONTRACT REVENUE</b>					
Design and construction		-	153	-	-
Total construction and contract revenue		-	153	-	-

## NOTES continued

	Consolidated 2014 \$'000	2013 \$'000	University 2014 \$'000	2013 \$'000
<b>8. OTHER REVENUE</b>				
Sundry income	20,622	20,109	14,937	17,587
Income arising from Joint Ventures and Associates	(374)	(554)	-	(45)
Sales of goods and services	17,116	23,181	17,569	16,232
Workers compensation reimbursements	1,009	1,095	1,009	1,095
Scholarships and prizes	725	866	725	866
Donations and bequests	5,750	12,665	5,741	12,665
Total other revenue	44,848	57,362	39,981	48,400

8a. Gain on sale of assets and discontinued operation:

On 29 November 2013, the University subsidiary, ANUE completed the sale of the ANU College Division, pursuant to Contracts entered into on 3 February 2013. As a result, the entire business operations were sold.

	Consolidated 2014 \$'000	2013 \$'000
The following table analyses key amounts relating to the discontinued business operations.		
Revenue	-	5,986
Expenses	-	6,374
Loss before tax	-	(388)
Total Loss on discontinued operations	-	(388)
Gain on Disposal of Operation	1,000	1,633
Total Gain in Discontinued Operations	1,000	1,245

The following table summarises the carrying value of the ANU College assets and liabilities that were sold on 29 November 2013.

<b>Assets</b>		
Furniture, Fittings and Computer equipment	-	142
Fitout	-	1,200
Receivables	-	1,460
	-	2,802
<b>Liabilities</b>		
Employee Entitlements	-	(211)
Trade Payables	-	(94)
Transaction Costs	-	(135)
Prepaid student fees liability	-	(795)
	-	(1,235)
Net Assets disposed of	-	1,567
Sales Proceeds	1,000	3,200
Profit on Sale	1,000	1,633

**9. OTHER INCOME**

Investment income				
<i>Unrealised investment income</i>				
Overseas investments	(96)	962	(96)	962
Forward foreign exchange contracts	531	25	532	25
Derivative instrument	(11,725)	6,225	-	-
<i>Realised investment income</i>				
Interest bearing securities	3,367	2,140	3,368	2,140
Overseas managed funds	-	981	-	981
Domestic unlisted investments	(479)	297	(479)	297
Domestic shares and listed securities	13,545	14,039	13,545	14,039
	5,143	24,669	16,870	18,444
Asset impairment reversal	-	1,821	-	1,821
Gains/(losses) on revaluation of investment property	7,668	(1,110)	10,787	600
Total other income	12,811	25,380	27,657	20,865

## NOTES continued

	Consolidated 2014 \$'000	2013 \$'000	University 2014 \$'000	2013 \$'000
<b>10. EMPLOYEES</b>				
<b>Academic</b>				
Salaries	191,941	196,166	191,941	196,166
Superannuation contributions	33,014	32,339	33,014	32,339
Long service leave expense	8,299	954	8,298	954
Annual leave	16,476	17,041	16,476	17,041
Total academic	249,730	246,500	249,729	246,500
<b>Non-Academic</b>				
Salaries <sup>1</sup>	190,706	196,957	183,067	194,017
Superannuation contributions	31,527	31,444	30,646	31,062
Long service leave expense	6,381	2,667	6,266	2,651
Annual leave expense	16,457	17,682	16,189	17,644
Total non-academic	245,071	248,750	236,168	245,374
<i>Commonwealth Superannuation Account</i>				
Pension payments	33,781	32,376	33,781	32,376
Employee superannuation entitlements expense	(7,663)	(8,563)	(7,663)	(8,563)
Total Commonwealth Superannuation Account	26,118	23,813	26,118	23,813
Total employee expenses	520,919	519,063	512,015	515,687
<b>1. Non academic staff salaries comprise:</b>				
Administrative staff	141,128	142,283	133,489	139,343
Technical staff	25,525	28,088	25,525	28,088
Research officers	16,067	16,369	16,067	16,369
Service staff including security	5,271	6,856	5,271	6,856
Librarians	340	779	340	779
Trade staff	2,375	2,582	2,375	2,582
Total non academic staff salaries	190,706	196,957	183,067	194,017

During 2013 the University undertook a Voluntary Early Retirement Scheme with formal offers and acceptances to this scheme finalised by 31 December 2013. The expense recognised in 2014 was \$1,655,000 (2013 \$10,745,000).



## NOTES continued

	Consolidated 2014 \$'000	2013 \$'000	University 2014 \$'000	2013 \$'000
<b>11. SERVICES</b>				
Site maintenance and servicing <sup>1</sup>	56,604	60,090	52,925	57,182
Consumables, research and training materials	125,427	108,035	110,377	101,511
Employee related expenses	41,859	39,585	41,168	39,012
Travel, conferences and fieldwork	31,948	32,785	31,691	32,590
Project contributions	34,669	30,015	34,960	30,341
Scholarships	61,654	60,212	62,367	60,366
Miscellaneous operating expenses <sup>2</sup>	18,613	17,730	17,020	16,545
<b>Total cost of services</b>	<b>370,774</b>	<b>348,452</b>	<b>350,508</b>	<b>337,547</b>
<b>1. Site maintenance and servicing includes:</b>				
Electricity and gas	15,551	17,773	14,542	16,717
Cleaning expenses	10,045	9,346	9,652	9,020
Rental expenses	3,464	2,956	3,593	3,010
Municipality charges	4,559	5,552	4,487	5,507
<b>Total miscellaneous site expenses</b>	<b>33,619</b>	<b>35,627</b>	<b>32,274</b>	<b>34,254</b>
Building repairs and maintenance	14,076	14,053	12,347	12,871
Grounds maintenance	1,495	3,261	1,495	3,261
Other site maintenance and servicing expenses	7,414	7,149	6,809	6,796
<b>Total maintenance expenses</b>	<b>22,985</b>	<b>24,463</b>	<b>20,651</b>	<b>22,928</b>
<b>Total site maintenance and servicing</b>	<b>56,604</b>	<b>60,090</b>	<b>52,925</b>	<b>57,182</b>
<b>2. Miscellaneous operating expenses includes:</b>				
Advertising	4,998	3,081	4,998	3,081
Management fees	4,778	4,553	2,597	2,463
Membership - professional bodies	1,956	2,192	1,934	2,162
Staff development	1,220	1,413	1,176	1,388
Audit expenses, internal and external	863	1,043	809	967
Patent, copyright and royalties	1,350	1,889	1,355	1,377
Legal expenses, settlements	736	661	663	679
Other miscellaneous operating expenses	2,712	2,898	3,488	4,428
<b>Total miscellaneous operating expenses</b>	<b>18,613</b>	<b>17,730</b>	<b>17,020</b>	<b>16,545</b>
<b>12. DEPRECIATION AND AMORTISATION</b>				
Property at cost	4,500	2,723	4,384	2,612
Property at valuation	42,592	36,094	42,221	35,720
Plant, equipment and motor vehicles at cost	35,392	30,613	35,181	30,433
Plant, equipment and motor vehicles at deemed cost	1,973	2,195	1,973	2,195
Leasehold improvements	441	441	441	441
Licence agreement	23	23	23	23
Software Licence	1,015	-	240	-
<b>Total depreciation and amortisation</b>	<b>85,936</b>	<b>72,089</b>	<b>84,463</b>	<b>71,424</b>

## NOTES continued

	Consolidated 2014 \$'000	2013 \$'000	University 2014 \$'000	2013 \$'000
<b>13. WRITE-DOWN AND IMPAIRMENT OF ASSETS</b>				
Interest bearing securities	-	1,336	-	1,336
Domestic shares and listed securities	5,267	9,418	5,267	9,418
Domestic unlisted investments	2,036	4,226	2,226	4,226
Equity accounted associates	135	2,520	135	2,514
Overseas managed funds	22	-	22	-
	<u>7,460</u>	<u>17,500</u>	<u>7,650</u>	<u>17,494</u>
Expenses arising from Joint Ventures and Associates	-	1,961	-	1,961
Impairment losses - inventory	389	-	-	-
Bad and doubtful debts	1,371	3,543	1,350	3,537
	<u>9,220</u>	<u>23,004</u>	<u>9,000</u>	<u>22,992</u>
Total write-down and impairment losses				
<b>14. BORROWING COST</b>				
Borrowing cost expense - interest on loans	9,543	11,815	8,950	7,773
Borrowing cost expense - interest on swaps	6,092	5,528	3,157	2,856
Borrowing cost expense - other expenses	3,192	-	-	-
	<u>18,827</u>	<u>17,343</u>	<u>12,107</u>	<u>10,629</u>
Total borrowing cost expense				
<b>15. LOSSES/(GAINS) ON DISPOSAL OF ASSETS</b>				
Loss on disposal of property, plant, equipment and motor vehicles	13,693	18	13,693	18
Gain on disposal of property, plant, equipment and motor vehicles	(65)	(184)	(65)	(184)
	<u>13,628</u>	<u>(166)</u>	<u>13,628</u>	<u>(166)</u>
Net losses/(gains) on disposal of assets				
<b>16. CONSTRUCTION EXPENSES</b>				
Design and construction	-	43	-	-
	<u>-</u>	<u>43</u>	<u>-</u>	<u>-</u>
Total construction expenses				
<b>17. INCOME TAX BENEFIT/(EXPENSE)</b>				
<i>Recognised in the Income Statement</i>				
<i>Current tax income/(expense)</i>				
Current year	(39)	(346)	-	-
Adjustment from prior year	(40)	(1)	-	-
Recognition of previously unrecognised tax losses	(288)	229	-	-
Origination and reversal of temporary differences	3,807	(2,243)	-	-
	<u>3,440</u>	<u>(2,361)</u>	<u>-</u>	<u>-</u>
Total income tax benefit/(expense)				

## NOTES continued

	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
<b>18. CASH AND CASH EQUIVALENTS</b>				
Cash on hand	30	34	30	34
Cash at bank	27,553	45,776	17,589	39,360
Deposits at call	132,153	109,940	125,549	102,445
	<u>159,736</u>	<u>155,750</u>	<u>143,168</u>	<u>141,839</u>

**18.(a) Cash on hand**

This is non-interest bearing.

**18.(b) Cash at Bank**

Cash held at banks is held in interest bearing accounts with rates between 0.0% and 2.5% (2013 - 0.0% and 3%).

**18.(c) Deposits at call**

The deposits are bearing floating interest rates between 2.5% and 3.8% (2013 - 2.75% and 3.75%). These deposits have an average maturity of 31 days.

**19. LOANS AND RECEIVABLES***Current receivables:*

Goods and services	33,004	37,421	30,190	35,704
Less: Allowance for doubtful debts	(1,786)	(5,289)	(1,781)	(5,280)
	<u>31,218</u>	<u>32,132</u>	<u>28,409</u>	<u>30,424</u>
Income due	15,050	7,933	15,353	9,314
Interest receivable	3,050	3,856	3,496	3,780
GST receivable	2,300	1,091	2,225	954
Loans	100	100	100	100
Restricted Cash	4,405	3,134	-	-
Other	-	65	-	-
	<u>56,123</u>	<u>48,311</u>	<u>49,583</u>	<u>44,572</u>

*Non-current receivables:*

Loans	500	600	500	600
Loans to related party <sup>1</sup>	-	-	28,529	22,529
	<u>500</u>	<u>600</u>	<u>29,029</u>	<u>23,129</u>
Total non-current receivables				
	<u>56,623</u>	<u>48,911</u>	<u>78,612</u>	<u>67,701</u>

1. Refer to Note 38 - Related Party Disclosures

*Ageing of receivables (gross):*

Not overdue	42,128	35,071	69,239	55,554
Less than 30 days overdue	9,588	4,960	6,006	3,640
30 to 60 days overdue	2,270	6,105	1,982	5,872
61 to 90 days overdue	1,522	1,566	585	1,438
More than 90 days	2,901	6,498	2,581	6,477
	<u>58,409</u>	<u>54,200</u>	<u>80,393</u>	<u>72,981</u>

*Ageing of allowance for doubtful debts*

Not overdue	88	9	88	7
Less than 30 days overdue	10	7	10	7
30 to 60 days overdue	123	167	123	167
61 to 90 days overdue	87	307	87	307
More than 90 days	1,478	4,799	1,473	4,792
	<u>1,786</u>	<u>5,289</u>	<u>1,781</u>	<u>5,280</u>

*Reconciliation of allowance for doubtful debts:*

Opening balance 1 January	5,289	2,393	5,280	2,128
Increase/(decrease) recognised in net surplus	(3,503)	2,896	(3,499)	3,152
	<u>1,786</u>	<u>5,289</u>	<u>1,781</u>	<u>5,280</u>
Closing balance 31 December				

## NOTES continued

	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
<b>20. INVESTMENTS</b>				
<i>Current investments:</i>				
<i>Listed securities:</i>				
Interest bearing securities	9,486	6,454	9,486	6,454
<i>Total listed securities</i>	<u>9,486</u>	<u>6,454</u>	<u>9,486</u>	<u>6,454</u>
<i>Unlisted securities:</i>				
Domestic interest bearing securities	79,806	155,887	79,806	155,887
Overseas interest bearing securities	2,644	3,260	2,644	3,260
<i>Total unlisted securities</i>	<u>82,450</u>	<u>159,147</u>	<u>82,450</u>	<u>159,147</u>
Total current investments	<u>91,936</u>	<u>165,601</u>	<u>91,936</u>	<u>165,601</u>
<i>Non-current investments:</i>				
<i>Listed securities:</i>				
Domestic shares and listed securities	392,401	382,201	392,401	382,201
Interest bearing securities	53,546	55,409	53,546	55,409
<i>Total listed securities</i>	<u>445,947</u>	<u>437,610</u>	<u>445,947</u>	<u>437,610</u>
<i>Unlisted securities:</i>				
Interest bearing securities	137,593	130,999	137,593	130,999
Overseas managed funds	200,367	153,601	200,367	153,601
Domestic unlisted investments	97,631	114,149	97,631	111,595
Interests in related parties	-	-	15,175	15,175
<i>Total unlisted securities</i>	<u>435,591</u>	<u>398,749</u>	<u>450,766</u>	<u>411,370</u>
Total non-current investments	<u>881,538</u>	<u>836,359</u>	<u>896,713</u>	<u>848,980</u>
Total investments	<u>973,474</u>	<u>1,001,960</u>	<u>988,649</u>	<u>1,014,581</u>

**20(a) Restricted Funds**

The University holds investments arising from donations and bequests from donors for the purpose of funding scholarships, prizes, foundations and endowments in general. As at 31 December 2014, the University held \$257,034,480 (2013 \$241,817,634) in restricted funds.

**20(b) Investment in Giant Magellan Telescope**

The University has contributed \$24.834 million to date (\$19.029 million in 2013) in the Giant Magellan Telescope project. Funding for this project is provided by the Commonwealth Government under the Education Investment Fund program. Total agreed funding over the life of the project is \$88.4 million with \$65.0 million of this representing the University's \$32.5 million and Astronomy Australia Limited's \$32.5m contribution to the Giant Magellan Telescope Organisation Corporation (registered in Pasadena, California) which will construct the Giant Magellan Telescope in Chile. The University, along with Astronomy Australia Limited and eight international universities have signed a Founders Agreement to undertake the construction of the project. The funds invested by the University purchases the right to viewing time on the telescope once the facility is finally constructed and available for use. This is currently expected to be in 2020. The project is currently in the design/development phase and commencement of construction is dependent on engineering stage and financial milestones being achieved. The investment made by the University to date has been fully impaired as the recoverability of future economic benefits is not considered certain at this point in time. Impairment of this investment is recognised in Note 13 (Domestic unlisted investments).

## NOTES continued

	Consolidated 2014 \$'000	2013 \$'000	University 2014 \$'000	2013 \$'000
<b>21. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD</b>				
Investments in associates	12,192	14,290	11,105	12,983
Investments in joint ventures	-	-	137	82
Total investments accounted for using the equity method	12,192	14,290	11,242	13,065

**Reconciliation**

Balance at 1 January	14,290	16,316
Share of profit/(loss) for the year	(319)	1,367
Share of Comprehensive Income for the year	(89)	(465)
Dividends and distributions	(1,690)	(2,928)
<b>Balance at 31 December</b>	<b>12,192</b>	<b>14,290</b>

**Associates**

Details of the University's investments in associates at the end of the reporting period are as follows:

Name of Associate	Principal Activity	Place of incorporation and operation	Ownership interest held by the University	
			2014	2013
Australian Technology Park Innovations Pty	To facilitate the commercialisation of start-up companies.	Australia	25.00%	25.00%
Vantage Private Equity Growth Limited	To facilitate the commercialisation of start-up companies.	Australia	31.00%	31.00%
Pestat Pty Ltd	To commercialise safe, humane and effective solutions for pest control and innovative products for animal management purposes.	Australia	22.02%	22.00%
Beta Therapeutics Pty Limited	To establish proprietary therapeutic compounds for use in Type 1 Diabetes (T1D), Type 2 Diabetes (T2D) therapy and islet transplant applications.	Australia	27.78%	49.99%

The financial year end date for all associate entities is 30 June which was the reporting date when the companies were incorporated. For the purpose of applying the equity method of accounting, the financial statements of the associate entities for the year ended 30 June 2014 have been used, and appropriate adjustments have been made for the effects of significant transactions between that date and 31 December 2014.

Summarised financial information for associates is set out below:

**Financial Position**

Cash & cash equivalents	11,274	12,753
Other current assets	8,018	6,450
Non-current assets	35,509	39,850
<b>Total assets</b>	<b>54,801</b>	<b>59,052</b>
Other current liabilities	3,609	2,555
Other non-current liabilities	137	79
<b>Total liabilities</b>	<b>3,746</b>	<b>2,634</b>
<b>Net assets</b>	<b>51,055</b>	<b>56,419</b>
Share of associates' net assets	14,741	16,388

**Financial Performance**

Total revenue	11,756	9,243
Profit/(loss) from continuing operations before tax	7,325	4,895
Profit/(loss) from continuing operations after tax	5,239	4,182
Other comprehensive income	(288)	(1,499)
Total comprehensive income	4,951	2,683
Share of associates' comprehensive income	(408)	865

**Significant Judgements/Assumptions**

The University has reviewed Shareholder Agreements and Constitutions of Associate Entities and has determined that we do not have control as defined in AASB 10 *Consolidated Financial Statements* however, our respective ownership interests in these investments does provide us with the opportunity to participate in the financial and operating policy decisions of the Associate Entities.

## NOTES continued

## 21. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD continued

## Joint Ventures

Details of the University's investments in joint ventures at the end of the reporting period are as follows:

Name of Joint Venture	Principal Activity	Place of incorporation and operation	Ownership interest held by the University	
			2014	2013
ANU MTAA Super Venture Capital Pty Limited	Provide governance and administration services to ANU MTAA Super Venture Capital Partnership, LP.	Australia	50%	50%
ANU MTAA Super Venture Capital Partnership, LP	Provide investment in commercialisation, pre-seed and early stage private equity investment.	Australia	50%	50%

Summarised financial information for joint ventures is set out below:

## Financial Position

Current assets	221	280
Non-current assets	3,231	2,462
<b>Total assets</b>	<b>3,452</b>	<b>2,742</b>
Other current liabilities	305	3
Other non-current liabilities	4	213
<b>Total liabilities</b>	<b>309</b>	<b>216</b>
<b>Net assets</b>	<b>3,143</b>	<b>2,526</b>
Share of associates' net assets	95	88

## Financial Performance

Total revenue	2,736	1,106
Profit/(loss) from continuing operations before tax	402	(1,815)
Profit/(loss) from continuing operations after tax	402	(1,815)
Total comprehensive income	402	(1,815)
Share of joint venture comprehensive income	-	(908)

## Significant Judgements/Assumptions

ANU MTAA Super Venture Capital Pty Limited (the Entity) - this Entity acts as the General Partner for the ANU MTAA Super Venture Capital Partnership, LP and is established as a separate legal entity with the University and the Motor Trades Association of Australia Superannuation Fund Pty Limited each holding 50% of the issued share capital. Decisions of the entity must be agreed by a unanimous vote of the two Shareholder Representative Directors. The University has rights to its proportion of the net assets of the Entity. Considering these factors the University has classified the Entity as a Joint Venture in accordance with AASB 11 *Joint Arrangements*.

ANU MTAA Super Venture Capital Partnership, LP (Limited Partner) - the Limited Partner is established under the Venture Capital Partnership Deed and is registered under the Partnership Act as an Incorporated Limited Partnership. The Partnership Deed evidences that power over the Limited Partner is exercised via joint control of the Limited Partners (University and MTAA Superannuation Fund Pty Limited) where a majority decision on all matters is required. It is our determination that the arrangement is structured through a separate vehicle (the Partnership) with investments made by the Limited Partner held in the name of the Limited Partner and not the University or MTAA Superannuation Fund Pty Limited and distributions calculated net of operating costs and overheads that it be defined as a Joint Venture.

## Joint Venture Distribution Restrictions

The General Partner may only make in-specie distributions of Investments (i.e. distributions other than cash or other immediately available funds) with approval by Special Majority Resolution. Distributions by the General Partner are subject to requirements regarding order of priority.

## NOTES continued

		Consolidated		University	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
<b>22. LAND, BUILDINGS AND INFRASTRUCTURE, PLANT AND EQUIPMENT</b>					
<b>Land, Buildings and Infrastructure</b>					
Buildings under construction		12,271	49,305	12,271	49,304
Site infrastructure at cost		4,724	1,935	4,724	1,935
Accumulated depreciation		(101)	(23)	(101)	(23)
Dwellings at cost		22	-	22	-
Campus buildings at cost		209,989	144,330	209,989	144,330
Accumulated depreciation		(7,177)	(3,768)	(7,177)	(3,768)
Land, buildings and infrastructure at cost		207,457	142,474	207,457	142,474
Site infrastructure at valuation		77,743	77,743	77,743	77,743
Accumulated depreciation		(3,566)	(1,739)	(3,566)	(1,739)
Land at valuation		95,370	95,420	94,620	94,620
Dwellings at valuation		13,584	13,683	13,584	13,683
Accumulated depreciation		(662)	(335)	(662)	(335)
Campus buildings at valuation		1,366,306	1,375,687	1,355,356	1,364,487
Accumulated depreciation		(67,987)	(31,777)	(67,987)	(31,777)
Land, buildings and infrastructure at valuation	51	1,480,788	1,528,682	1,469,088	1,516,682
Crown Lease at valuation		10,500	10,500	10,500	10,500
Accumulated amortisation		(3,500)	-	(3,500)	-
Amortised crown lease	51	7,000	10,500	7,000	10,500
Leasehold improvements at valuation		3,090	3,090	3,090	3,090
Accumulated depreciation		(883)	(441)	(883)	(441)
Leasehold improvements at valuation	51	2,207	2,649	2,207	2,649
<b>Total land, buildings and infrastructure</b>		<b>1,709,723</b>	<b>1,733,610</b>	<b>1,698,023</b>	<b>1,721,609</b>
<b>Plant and Equipment</b>					
Plant and equipment under construction		6,693	6,147	6,693	6,147
Plant, equipment and motor vehicles at cost		308,924	281,283	304,563	278,632
Accumulated depreciation		(194,962)	(161,318)	(192,075)	(159,514)
Plant, equipment and motor vehicles at deemed cost		48,056	49,161	48,056	49,161
Accumulated depreciation		(41,293)	(40,345)	(41,293)	(40,345)
		120,725	128,781	119,251	127,934
Works of art at cost		443	761	443	761
Works of art at valuation	51	21,278	19,960	21,278	19,960
		21,721	20,721	21,721	20,721
Rare library materials at valuation	51	29,439	29,445	29,439	29,445
		29,439	29,445	29,439	29,445
<b>Total plant and equipment</b>		<b>178,578</b>	<b>185,094</b>	<b>177,104</b>	<b>184,247</b>
<b>Total land, buildings and infrastructure, plant and equipment</b>		<b>1,888,301</b>	<b>1,918,704</b>	<b>1,875,127</b>	<b>1,905,856</b>

Refer to Note 1 for basis of asset threshold recognition, depreciation, valuation and de-recognition and disposal.

## NOTES continued

## 22. LAND, BUILDINGS AND INFRASTRUCTURE, PLANT AND EQUIPMENT continued

Table A: Reconciliation of the opening and closing balances of land, buildings and infrastructure, plant and equipment (Consolidated only)

	Land \$'000	Buildings \$'000	Infrastructure & Crown Lease \$'000	Total land, buildings and infrastructure \$'000	Plant and equipment \$'000	Total \$'000
<b>Gross value</b>						
As at 1 January 2014	95,420	1,586,095	90,178	1,771,693	386,757	2,158,450
Additions	-	37,110	2,789	39,899	31,282	71,181
Balance on acquisition of subsidiary	-	-	-	-	1,333	1,333
Revaluations	(50)	(328)	-	(378)	959	581
Disposals	-	(17,617)	-	(17,617)	(5,499)	(23,116)
As at 31 December 2014	95,370	1,605,260	92,967	1,793,597	414,832	2,208,429
<b>Accumulated depreciation / amortisation</b>						
As at 1 January 2014	-	36,321	1,762	38,083	201,663	239,746
Charge for the reporting period	-	42,129	5,404	47,533	37,365	84,898
Balance on acquisition of subsidiary	-	-	-	-	784	784
Disposals	-	(1,372)	-	(1,372)	(3,558)	(4,930)
Revaluations	-	(370)	-	(370)	-	(370)
As at 31 December 2014	-	76,708	7,166	83,874	236,254	320,128
Net book value as at 31 December 2014	95,370	1,528,552	85,800	1,709,723	178,578	1,888,301
Net book value as at 1 January 2014	95,420	1,549,774	88,416	1,733,610	185,094	1,918,704

Table B: Reconciliation of the opening and closing balances of land, buildings and infrastructure, plant and equipment (University only)

Item	Land \$'000	Buildings \$'000	Infrastructure & Crown Lease \$'000	Total land, buildings and infrastructure \$'000	Plant and equipment \$'000	Total \$'000
<b>Gross value</b>						
As at 1 January 2014	94,620	1,574,894	90,178	1,759,692	384,106	2,143,798
Additions	-	37,032	2,788	39,820	30,876	70,696
Revaluations	-	-	-	-	959	959
Disposals	-	(17,614)	-	(17,614)	(5,468)	(23,082)
As at 31 December 2014	94,620	1,594,312	92,966	1,781,898	410,473	2,192,371
<b>Accumulated depreciation / amortisation</b>						
As at 1 January 2014	-	36,321	1,762	38,083	199,859	237,942
Charge for the reporting period	-	41,642	5,404	47,046	37,154	84,200
Disposals	-	(1,254)	-	(1,254)	(3,644)	(4,898)
Revaluations	-	-	-	-	-	-
As at 31 December 2014	-	76,709	7,166	83,874	233,369	317,244
Net book value as at 31 December 2014	94,620	1,517,603	85,800	1,698,024	177,104	1,875,127
1 January 2014	94,620	1,538,573	88,416	1,721,609	184,247	1,905,856



## NOTES continued

## 22. LAND, BUILDINGS AND INFRASTRUCTURE, PLANT AND EQUIPMENT continued

Table C: Reconciliation of the opening and closing balances of land, buildings and infrastructure, plant and equipment at valuation (Consolidated only)

Item	Land \$'000	Buildings \$'000	Infrastructure & Crown Lease \$'000	Total land, buildings and infrastructure \$'000	Plant and equipment \$'000	Total \$'000
<b>Gross value</b>						
As at 1 January 2014	95,420	1,392,460	88,243	1,576,123	98,565	1,674,688
Additions	-	411	-	411	405	816
Revaluations	(50)	(328)	-	(378)	921	543
Disposals	-	(9,563)	-	(9,563)	(1,118)	(10,681)
As at 31 December 2014	95,370	1,382,980	88,243	1,566,593	98,773	1,665,366
<b>Accumulated depreciation / amortisation</b>						
As at 1 January 2014	-	32,553	1,739	34,292	40,345	74,637
Charge for the reporting period	-	37,706	5,327	43,033	1,973	45,006
Disposals	-	(357)	-	(357)	(1,025)	(1,382)
Revaluations	-	(370)	-	(370)	-	(370)
As at 31 December 2014	-	69,532	7,066	76,598	41,293	117,891
Net book value as at 31 December 2014	95,370	1,313,448	81,177	1,489,995	57,480	1,547,475
Net book value as at 1 January 2014	95,420	1,359,907	86,504	1,541,831	58,221	1,600,052

Table D: Assets under construction (Consolidated only)

Item	Land \$'000	Buildings \$'000	Infrastructure & Crown Lease \$'000	Total land, buildings and infrastructure \$'000	Plant and equipment \$'000	Total \$'000
As at 31 December 2014						
Gross value	-	12,271	-	12,271	6,693	18,964
Net book value	-	12,271	-	12,271	6,693	18,964
As at 31 December 2013						
Gross value	-	49,305	-	49,305	6,147	55,452
Net book value	-	49,305	-	49,305	6,147	55,452

	Consolidated 2014 \$'000	2013 \$'000	University 2014 \$'000	2013 \$'000
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## 23. OTHER FINANCIAL ASSETS AND LIABILITIES

## Other Financial Assets

## Current asset:

Financial Derivative	562	-	562	-
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## Non current asset:

Financial Derivative	684	-	684	-
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Total other financial assets

1,246	-	1,246	-
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## Other Financial Liabilities

## Current liability:

Financial Derivative	775	-	775	-
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## Non current liability:

Financial Derivative	548	-	548	-
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Interest rate swap contract	54,417	31,769	12,197	8,734
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Total other financial liabilities

55,740	31,769	13,520	8,734
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## Interest rate swap

The Consolidated Entity, with the exception of the University's issued Indexed Annuity Bond, has interest rate swaps in place for 100% of its interest bearing debt facilities. The University's and BRU Holdings Pty Ltd's swaps have effectively fixed the interest rate payable on the debt facility at 7.33% and 7.22% per annum respectively. SA2 Holdings Pty Ltd's swap has exchanged the nominal debt payments (principal and interest) for a fixed payment which increases with CPI, resulting in a debt profile which reflects an indexed annuity bond.

## NOTES continued

	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
<b>24. INVESTMENT PROPERTY</b>				
Properties at fair value	134,831	127,149	30,000	19,200
	<u>134,831</u>	<u>127,149</u>	<u>30,000</u>	<u>19,200</u>

Table A: Reconciliation of the opening and closing balances of investment property

Balance as at 1 January 2014	127,149	128,258	19,200	18,600
Net gain/(loss) from fair value adjustment	7,682	(1,109)	10,800	600
Balance as at 31 December 2014	<u>134,831</u>	<u>127,149</u>	<u>30,000</u>	<u>19,200</u>

The consolidated entity:

Rental and student accommodation income from the investment properties was \$ 16,746,100 in 2014 (2013 - \$16,243,601).

Operating expenses before finance costs in relation to these properties were \$1,792,520 in 2014 (2013 - \$2,010,257).

No indicators of impairment were found for investment properties.

**25. INTANGIBLES**

*Non-current assets:*

Software Licence	2,867		2,867	-
Goodwill on acquisition	40,584	29,213	-	-
Instrument development costs	112	-	-	-
Impairment of development costs	(112)	-	-	-
Total non-current assets	<u>43,451</u>	<u>29,213</u>	<u>2,867</u>	<u>-</u>

Table A: Reconciliation of the opening and closing balances of intangibles

Balance as at 1 January 2014	29,213	29,403	-	-
Addition of intangibles	14,589	31	3,107	-
Impairment recognised in the operating result	(351)	(171)	(240)	-
Unadjusted difference in prior year	-	55	-	-
Allocations made during period	-	(105)	-	-
Balance as at 31 December 2014	<u>43,451</u>	<u>29,213</u>	<u>2,867</u>	<u>-</u>

**26. INVENTORIES**

Inventory held for sale	439	323	327	325
Consumables in store	621	606	621	606
WIP equipment for sale	5,072	2,308	1,480	717
	<u>6,132</u>	<u>3,237</u>	<u>2,428</u>	<u>1,648</u>

**27. OTHER NON-FINANCIAL ASSETS**

*Current assets:*

Advance payments and prepaid expenditure	23,223	27,198	22,940	26,828
Licence Agreement	280	255	280	255
Amortisation of Licence Agreement	(255)	(232)	(255)	(232)
Deferred tax asset	14,584	8,405	-	-
Total current assets	<u>37,832</u>	<u>35,626</u>	<u>22,965</u>	<u>26,851</u>

*Non-current assets:*

Licence Agreement	160	184	160	184
Non Current Prepaid Expenditure	513	-	513	-
Total non-current assets	<u>673</u>	<u>184</u>	<u>673</u>	<u>184</u>
Total other non-financial assets	<u>38,505</u>	<u>35,810</u>	<u>23,638</u>	<u>27,035</u>

No indicators of impairment were found for other non-financial assets.

## NOTES continued

	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
<b>28. SUPPLIERS</b>				
<i>Current liability:</i>				
Suppliers	28,083	49,046	24,474	45,698
Total current liabilities	28,083	49,046	24,474	45,698
Total payables to suppliers	28,083	49,046	24,474	45,698

Supplier payables are current. Settlement is usually made within supplier terms of trade which is net 30 days.

**29. OTHER PAYABLES**

<i>Other current payables:</i>				
Income in advance	41,558	34,448	37,757	34,625
Other creditors	14,032	4,950	12,906	4,377
Income tax expense	(83)	357	-	-
Deferred tax liability	1,774	-	-	-
Construction project liability	466	732	-	-
Provision for warranty	197	93	-	-
Incomplete project revenue	360	315	-	-
Total other current payables	58,304	40,895	50,663	39,002
<i>Other non-current payables:</i>				
Non Current Income in advance	3,616	-	3,616	-
Total other non-current payables	3,616	-	3,616	-
Total other payables	61,920	40,895	54,279	39,002

## NOTES continued

	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
<b>30. INTEREST BEARING LIABILITIES</b>				
<i>Current liability:</i>				
Bank loans	6,752	6,383	5,500	5,250
Indexed Annuity Bonds	3,608	1,908	3,608	1,908
Deferred Consideration	1,851	-	-	-
Total current liabilities	12,211	8,291	9,108	7,158
<i>Non-current liability:</i>				
Bank loans	180,143	186,896	81,750	87,250
Indexed Annuity Bonds	93,334	96,960	93,334	96,960
Deferred Consideration	4,117	-	-	-
Total non-current liabilities	277,594	283,856	175,084	184,210
Total loans	289,805	292,147	184,192	191,368

The University has issued unsecured Indexed Annuity Bonds in October 2004 with a maturity of 25 years. The loan is repayable by quarterly instalments of principal and interest that are indexed in alignment with the Australian Consumer Price Index (CPI). The real yield payable on the Bonds is 3.235% with an effective CPI base of 30 June 2004.

The University entered into a loan agreement in June 2010 for a term of 10 years. The loan is repayable by quarterly instalments of interest and half-yearly instalments of principal. A balloon principal repayment of \$56,500,000 is due at the termination of the loan term. The loan is unsecured. An interest rate swap is in place for 100% of the debt facility that fixes the interest rate payable at 7.33%.

BRU Holdings Pty Limited entered into a loan agreement in August 2005 for a term of 32 years to finance building and construction costs. A first charge over the building secures the loan. The loan is repayable by half-yearly instalment of principal and interest. An interest rate swap is in place for 100% of the debt facility that fixes the interest rate payable at 6.02% per annum plus 120bps margin.

SA2 Holdings Pty Limited entered into a loan agreement in January 2009 for a term of 30 years to finance building and construction costs. A first charge over the building secures the loan. The loan is repayable by quarterly instalment of principal and interest. The loan has a rate of BBSY + 120bp, which at the time of this report was set for the period 5 November 2014 to 6 February 2015 at a rate of 3.365%. SA2 Holdings Pty Ltd has swapped principal and interest payments for a CPI linked annuity as described in note 23.

The carrying amount of the borrowings are denominated in Australian dollars.

The deferred consideration relates to the acquisition of the Social Research Centre Pty Ltd by ANU Enterprise Pty Ltd (refer Note 39).

**31. EMPLOYEE BENEFITS**

<i>Current liability:</i>				
Accrued salary and related expenses	458	33,911	458	33,911
Superannuation levy	94	2,185	94	2,185
Employee superannuation entitlements	35,483	33,345	35,483	33,345
Annual Leave entitlements	46,234	47,276	45,572	46,985
Long Service Leave entitlements	55,085	53,529	54,554	53,309
Total current liability	137,354	170,246	136,161	169,735
<i>Non-current liability:</i>				
Employee superannuation entitlements	701,323	584,741	701,323	584,741
Long Service Leave entitlements	18,830	15,506	18,680	15,484
Total non-current liability	720,153	600,247	720,003	600,225
Total provisions and payables to employees	857,507	770,493	856,164	769,960

## NOTES continued

	Consolidated 2014 \$'000	2013 \$'000	University 2014 \$'000	2013 \$'000
<b>32. RESERVES</b>				
<i>Asset Revaluation Surplus:</i>				
Asset revaluation - Property	857,587	863,285	849,836	855,526
Asset revaluation - Plant, Equipment & Artwork	16,268	15,347	16,268	15,347
Asset revaluation - Investments	204,272	203,139	202,449	199,314
Asset revaluation - Crown Lease	19,501	19,501	19,501	19,501
Asset revaluation - Rare Library Materials	26,862	26,862	26,861	26,861
Asset revaluation - Cash Flow Hedge Reserve	(21,305)	(12,878)	(12,289)	(8,733)
Total asset revaluation surplus	1,103,185	1,115,256	1,102,626	1,107,816
<i>Special Reserves:</i>				
Building	20,635	19,067	20,634	19,067
Equipment	18,285	16,087	18,287	16,089
Self insurance	7,816	7,089	7,816	7,089
Total special reserves	46,736	42,243	46,737	42,245
Total reserves	1,149,921	1,157,499	1,149,363	1,150,061
<b>Summary of movements in reserves during the year ended 31 December 2014</b>				
Balance at beginning of year	1,157,499	1,029,842	1,150,061	1,029,857
Transfer (to)/from income	(33,218)	(9,088)	(34,090)	(9,088)
Increments/(decrements) on revaluation	26,837	150,441	34,590	142,988
Transfer (to)/from retained surpluses	(1,197)	(13,696)	(1,197)	(13,696)
Balance at end of year	1,149,921	1,157,499	1,149,363	1,150,061
<b>Movements in reserves</b>				
<i>Asset revaluation - Property</i>				
Balance at beginning of year	863,285	859,400	855,526	853,573
Transfers to retained surpluses	(5,690)	(12,136)	(5,690)	(12,136)
Increments/(decrements) on revaluation of				
Land	-	14,089	-	14,089
Buildings	(8)	1,932	-	-
Balance at end of year	857,587	863,285	849,836	855,526
<i>Asset revaluation - Artwork</i>				
Balance at beginning of year	15,347	28,603	15,347	28,603
Transfer (to)/from another reserve	-	(13,256)	-	(13,256)
Increments/(decrements) on revaluation	921	-	921	-
Balance at end of year	16,268	15,347	16,268	15,347
<i>Asset revaluation - Investments</i>				
Balance at beginning of year	203,139	93,419	199,314	92,265
Transfer (to)/from income	(33,218)	(9,088)	(34,090)	(9,088)
Increments/(decrements) on revaluation	34,351	118,808	37,225	116,137
Balance at end of year	204,272	203,139	202,449	199,314
<i>Asset revaluation - Crown Lease</i>				
Balance at beginning of year	19,501	15,001	19,501	15,001
Increments on revaluation	-	4,500	-	4,500
Balance at end of year	19,501	19,501	19,501	19,501
<i>Asset revaluation - Rare Library Materials</i>				
Balance at beginning of year	26,862	9,260	26,861	9,259
Transfer (to)/from another reserve	-	13,256	-	13,256
Increments on revaluation	-	4,346	-	4,346
Balance at end of year	26,862	26,862	26,861	26,861

## NOTES continued

	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
<b>32. RESERVES continued</b>				
<i>Cash Flow Hedge</i>				
Balance at beginning of year	(12,878)	(19,644)	(8,733)	(12,649)
Increments/(decrements) on revaluation	(8,427)	6,766	(3,556)	3,916
Balance at the end of year	(21,305)	(12,878)	(12,289)	(8,733)
<i>Special Reserve - Building</i>				
Balance at beginning of year	19,067	18,162	19,066	18,162
Transfer (to)/from retained surpluses	1,568	905	1,568	904
Balance at end of year	20,635	19,067	20,634	19,066
<i>Special Reserve - Equipment</i>				
Balance at beginning of year	16,087	18,364	16,088	18,366
Transfer (to)/from retained surpluses	2,198	(2,277)	2,199	(2,278)
Balance at end of year	18,285	16,087	18,287	16,088
<i>Special Reserve - Self insurance of dwellings and buildings</i>				
Balance at beginning of year	7,089	7,277	7,089	7,277
Transfer (to)/from retained surpluses	727	(188)	727	(188)
Balance at end of year	7,816	7,089	7,816	7,089
<b>33. RECONCILIATION OF NET RESULT TO NET CASH FLOWS FROM OPERATIONS</b>				
Net result from ordinary activities	1,525	24,129	14,632	19,398
Depreciation and amortisation of property, plant and equipment	89,028	72,089	84,463	71,424
Impairment losses	7,651	23,879	7,651	23,879
Net loss on disposal of assets	14,017	(166)	13,628	(166)
Net (gain) on revaluation of investment property	(10,787)	1,110	(10,787)	(600)
Net (gain) on asset impairment reversal	-	(1,821)	-	(1,821)
Expenses arising from joint venture interests	236	1,987	-	1,471
Provision for doubtful debts	1,349	3,152	1,349	3,152
Interest earned on life cycle and ramp up reserve balances	(61)	(53)	-	-
Unrealised (gain)/loss on investments	-	(987)	-	(987)
Realised (gain)/loss on investment sales	(16,125)	(18,603)	(16,125)	(17,358)
<u>(Increase)/decrease in operating assets</u>				
Receivables	(10,989)	(9,875)	(5,011)	(13,125)
Advance payments and prepaid expenditure	3,758	(2,733)	3,374	(2,541)
Inventories	(1,607)	(1,229)	(781)	(333)
Other	(18)	1,990	-	-
<u>Increase/(decrease) in operating liabilities</u>				
Provision for employee entitlements	(40,023)	1,212	(40,180)	1,499
Income in Advance	6,749	-	6,749	-
Decrease in fair value of derivatives	11,725	-	-	-
Other payables	(9,886)	(2,984)	(14,553)	7,890
Net cash flows from operating activities	46,542	91,097	44,409	91,782

THE AUSTRALIAN NATIONAL UNIVERSITY

NOTES continued

		Consolidated 2014 \$'000	2013 \$'000	University 2014 \$'000	2013 \$'000
<b>34. CONTINGENT ASSETS</b>					
<b>Guarantee</b>	<b>Purpose</b>				
BRU Holdings Pty Limited	Beneficiary of security guarantee for a service agreement	200	200	-	-
SA2 Holdings Pty Limited	Beneficiary of security guarantee for a service agreement	300	300	-	-
ANU Enterprise Pty Limited	Deferred payment from sale of ANU College business	-	1,000	-	-
		<u>500</u>	<u>1,500</u>	<u>-</u>	<u>-</u>

**35. CONTINGENT LIABILITIES**

The following guarantees have been provided:

<b>Guarantee</b>	<b>Purpose</b>				
ANZ Bank	To support financing arrangements entered into by Burgmann College for building development	8,915	8,915	8,915	8,915
Service One Members Bank	To support financing arrangements entered into by needy students	1	1	1	1
Land Development Agency	To support financing arrangements entered into by the University for the development of Block 6 Section 21 Division of City in the ACT	647	647	647	647
Cyclone City Cleaners	To account for invoices relating to services rendered where contract was terminated	95	-	95	-
National Bank	To support export projects	263	5,704	-	-
Unlisted Investments	Uncalled Capital relating to investment activities at the University	5,983	5,388	5,983	5,388
		<u>15,904</u>	<u>20,655</u>	<u>15,641</u>	<u>14,951</u>

The University is currently involved in a number of legal matters. The liability of the University in respect of these matters cannot be reliably estimated at this time.

**36. REMUNERATION OF AUDITORS**

Remuneration to the Auditor-General for auditing the financial statements for the reporting period <sup>1</sup>	381	343	248	241
Total remuneration paid to the Auditor-General	<u>381</u>	<u>343</u>	<u>248</u>	<u>241</u>

1. Amounts shown exclude GST paid on these services.  
No other services were provided by the Auditor-General during the reporting period.

**37. DIRECTORS' REMUNERATION**

	Consolidated 2014 Number	2013 Number	University 2014 Number	2013 Number
Less than \$130,000	3	7	-	-
	<u>3</u>	<u>7</u>	<u>-</u>	<u>-</u>
Total remuneration received or due and receivable by Directors of the Consolidated Entity	<u>97</u>	<u>144</u>	<u>-</u>	<u>-</u>

Employees of the University who are members of Council do not receive remuneration for Council service.

## NOTES continued

	Consolidated 2014 \$'000	2013 \$'000	University 2014 \$'000	2013 \$'000
<b>38. RELATED PARTY DISCLOSURES</b>				
Value of services (provided to)/purchased from subsidiary entities	-	-	184	(2,325)
Dividends (received from)/paid to Section 68	-	-	(524)	(250)
<i>Loan to Subsidiaries</i>				
BRU Current	-	-	-	-
BRU Non Current	-	-	8,600	8,600
Total BRU Holdings Pty Ltd	-	-	8,600	8,600
<i>SA2</i>				
SA2 Current	-	-	-	-
SA2 Non Current	-	-	13,929	13,929
Total SA2 Holdings Pty Ltd	-	-	13,929	13,929
<i>ANU Enterprise</i>				
ANU Enterprise Current	-	-	-	-
ANU Enterprise Non Current	-	-	6,000	-
Total ANU Enterprise Pty Ltd	-	-	6,000	-
Interest revenue included in operating result from loans to subsidiary companies	-	-	3,192	2,778

The University enters into a number of transactions for the provision of goods and services under normal commercial terms and conditions with student organisations based on campus.



## NOTES continued

## 39. BUSINESS COMBINATIONS

## (a) Summary of acquisition

On 31 July 2014, ANU Enterprise Pty Limited purchased 100% of the share capital of The Social Research Centre Pty Limited (SRC). The company provides survey research services and a full range of survey design, data management, analytical and qualitative skills. The acquisition was undertaken as it provides an appropriate rate of return and compliments ANUE's other service delivery activities.

Details of the fair value of the assets and liabilities acquired and goodwill are as follows:

	SRC \$'000
Purchase consideration (refer to 39(b) below):	
Cash Paid	6,422
Deferred consideration	5,860
Total purchase consideration	<u>12,282</u>

*Deferred consideration*

The Group has agreed to pay the selling shareholders instalments on each anniversary of the completion date for the next three years following completion. The Group has included \$5,859,986 as deferred consideration which represents its fair value at the acquisition date. At 31 December 2014, the deferred consideration had increased to \$5,968,218 due to the unwinding of the discount on the associated liability.

	2014 \$'000
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## (b) Purchase consideration

Outflow of cash to acquire subsidiary, net of cash acquired:

Cash consideration	<u>6,422</u>
Less: Balance acquired	0
Cash	1,661
Bank overdraft	0
Inflow/(Outflow) of cash - investing activities	<u>(4,761)</u>

## (c) Assets acquired and liabilities assumed

The assets and liabilities arising from the acquisition are as follows:

	Fair Value \$'000
Cash	1,661
Receivables	3,111
Work in Progress	1,287
Other current assets	256
Property, plant and equipment	550
Other non-current assets	39
Deferred tax asset	168
Intangible assets - customer contracts	1,216
Intangible assets - customer relationships	3,807
Trade payables	(194)
Accruals	(353)
Payroll accruals	(163)
Employee provisions	(653)
Provision for company tax	(197)
GST payable	(227)
Contractual payments received in advance	(2,273)
Deferred tax liability (Intangible asset related)	(1,507)
Net identifiable assets / acquired	<u>6,528</u>
Goodwill	<u>5,754</u>
Net assets acquired	<u>12,282</u>

The goodwill is attributable to the part repayment of loan agreements and share of profit until the end of the concession period in accordance with the project deeds. It is not deductible for tax purposes.

## (d) Contingent Consideration

There were no contingent liabilities acquired.

## (e) Acquired Receivables

The fair value of acquired trade receivables is \$3,111,314 is expected to be fully collectible.

## (f) Revenue and Profit Contribution

The acquired businesses contributed revenues of \$10,499,000 and net profit/(loss) of \$1,546,000 to the group for the period from 31 July 2014 to 31 December 2014.

## (g) Acquisition Related Costs

Acquisition related costs of \$460,001 are included in the expense line - Services in the Income Statement and in operating cash flows in the Statements of Cashflows.

#### 40. KEY MANAGEMENT PERSONNEL DISCLOSURES

**Table A: Remuneration of executive officers**

			Consolidated		University	
			2014	2013	2014	2013
			Senior Executives No.	Senior Executives No.	Senior Executives No.	Senior Executives No.
Remuneration of executive officers						
130,000	to	144,999	1	1	1	1
145,000	to	159,999	-	1	-	1
175,000	to	189,999	3	2	2	2
190,000	to	204,999	1	3	1	1
205,000	to	219,999	1	1	1	1
220,000	to	234,999	1	1	1	-
235,000	to	249,999	1	3	1	2
250,000	to	264,999	3	-	2	-
265,000	to	279,999	2	1	1	1
280,000	to	294,999	2	1	2	-
295,000	to	309,999	3	2	2	2
310,000	to	324,999	-	1	-	1
325,000	to	339,999	2	1	2	1
340,000	to	354,999	1	1	-	1
355,000	to	369,999	-	2	-	2
460,000	to	474,999	-	1	-	1
475,000	to	489,999	-	-	-	-
490,000	to	504,999	-	1	-	1
535,000	to	549,999	1	-	1	-
550,000	to	564,999	-	1	-	1
565,000	to	579,999	2	-	2	-
925,000	to	939,999	-	1	-	1
970,000	to	984,999	1	-	1	-
<b>Total</b>			<b>25</b>	<b>25</b>	<b>20</b>	<b>20</b>

**Notes:**

1. Table A excludes acting arrangements and part-year service where total remuneration expensed for a senior executive was less than \$130,000 during 2014.

40. KEY MANAGEMENT PERSONNEL DISCLOSURES

Table B: Key management personnel compensation

	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Short-term employee benefits	6,513	6,242	5,296	5,262
Post-employment benefits	901	903	819	812
Other long-term benefits	570	583	506	499
Termination benefits	366	300	366	300
Total key management personnel compensation	<u>8,350</u>	<u>8,028</u>	<u>6,987</u>	<u>6,873</u>

## NOTES continued

## 41. FINANCIAL INSTRUMENTS

	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
<b>41(a) Categories of Financial Instruments</b>				
<b>Financial Assets</b>				
<i>Available-for-sale financial assets</i>				
Australian cash deposits and short-term securities	149,613	149,035	133,045	135,124
Overseas denominated cash deposits and short-term securities	10,123	6,715	10,123	6,715
Domestic interest bearing securities	280,431	348,749	280,431	348,749
Overseas interest bearing securities	2,644	3,260	2,644	3,260
Domestic shares and listed securities	392,401	382,201	392,401	382,201
Domestic unlisted investments	97,631	114,149	112,806	126,770
Overseas managed funds	200,367	153,601	200,367	153,601
<i>Loans and receivables at amortised cost</i>				
Loans and receivables	56,623	48,911	78,612	67,701
<i>Fair value through statement of other comprehensive income</i>				
Receivables derivative instruments	1,246	-	1,246	-
<b>Carrying amount of financial assets</b>	<b>1,191,079</b>	<b>1,206,621</b>	<b>1,211,675</b>	<b>1,224,121</b>
<b>Financial liabilities</b>				
<i>At amortised cost</i>				
Payables	90,003	89,941	78,753	84,700
Loans payable	289,805	292,147	184,192	191,368
<i>Fair value through statement of other comprehensive income</i>				
Payables derivative instruments	26,435	14,655	13,054	8,734
<i>Fair value through profit or loss</i>				
Payables derivative instruments	29,305	17,114	466	-
<b>Carrying amount of financial liabilities</b>	<b>435,548</b>	<b>413,857</b>	<b>276,465</b>	<b>284,802</b>
<b>41(b) Net income and expense from financial assets</b>				
<i>Available-for-sale</i>				
Interest revenue	19,924	21,751	19,577	21,264
Dividend revenue	33,773	28,590	37,489	31,618
Exchange gains/(loss)	(96)	962	(96)	962
Gain/(loss) recognised in equity	34,351	118,808	37,225	119,011
Amounts reversed from equity - impairment	7,460	17,500	7,650	17,494
Gain/(loss) on disposal	16,433	17,457	16,434	17,457
<b>Net gain/(loss) from financial assets</b>	<b>111,845</b>	<b>205,068</b>	<b>118,279</b>	<b>207,806</b>
<b>41(c) Net Income and expense from financial liabilities</b>				
<i>Financial liabilities at amortised cost</i>				
Borrowing expense	(18,827)	(17,343)	(12,107)	(10,629)
<i>Fair value through profit or loss</i>				
Exchange gains/(loss)	531	25	532	25
Derivatives	(11,725)	6,225	-	-
<b>Net gain/(loss) from financial liabilities</b>	<b>(30,021)</b>	<b>(11,093)</b>	<b>(11,575)</b>	<b>(10,604)</b>

## NOTES continued

## 41. FINANCIAL INSTRUMENTS continued

## 41(d) Fair Value continued

## Valuation method used for determining the fair value of financial instruments

The following table identifies for those assets and liabilities carried at fair value (above), as to whether fair value was obtained by reference to market prices (Level 1) or by valuation technique that employs observable market transactions (Level 2), or by using non-observable market inputs to determine fair value (Level 3).

University	Valuation technique utilising			Total \$'000
	Market Values (Level 1) \$'000	Market Inputs (Level 2) \$'000	Non-Market Inputs (Level 3) \$'000	
<b>Financial assets</b>				
<i>Available-for-sale financial assets</i>				
Australian cash deposits and short-term securities	-	133,045	-	133,045
Overseas denominated cash deposits and short-term securities	-	10,123	-	10,123
Domestic interest bearing securities	-	280,431	-	280,431
Overseas interest bearing securities	-	2,644	-	2,644
Domestic shares and listed securities	-	392,401	-	392,401
Domestic unlisted investments	-	-	112,806	112,806
Overseas managed funds	-	200,367	-	200,367
<i>Fair value through statement of other comprehensive Income</i>				
Receivables derivative instruments	1,246	-	-	1,246
<b>Total</b>	<b>1,246</b>	<b>1,019,011</b>	<b>112,806</b>	<b>1,133,063</b>
<b>Financial liabilities</b>				
<i>Fair value through statement of other comprehensive Income</i>				
Payables derivative instruments	13,054	-	-	13,054
<i>Fair value through profit or loss</i>				
Payables derivative instruments	466	-	-	466
<b>Total</b>	<b>13,520</b>	<b>-</b>	<b>-</b>	<b>13,520</b>

## Consolidated

	Valuation technique utilising			Total \$'000
	Market Values (Level 1) \$'000	Market Inputs (Level 2) \$'000	Non-Market Inputs (Level 3) \$'000	
<b>Financial assets</b>				
<i>Available-for-sale financial assets</i>				
Australian cash deposits and short-term securities	-	149,613	-	149,613
Overseas denominated cash deposits and short-term securities	-	10,123	-	10,123
Domestic interest bearing securities	-	280,431	-	280,431
Overseas interest bearing securities	-	2,644	-	2,644
Domestic shares and listed securities	-	392,401	-	392,401
Domestic unlisted investments	-	-	97,631	97,631
Overseas managed funds	-	200,367	-	200,367
<i>Fair value through statement of other comprehensive Income</i>				
Receivables derivative instruments	1,246	-	-	1,246
<b>Total</b>	<b>1,246</b>	<b>1,035,579</b>	<b>97,631</b>	<b>1,134,456</b>
<b>Financial liabilities</b>				
<i>Fair value through statement of other comprehensive Income</i>				
Payables derivative instruments	26,435	-	-	26,435
<i>Fair value through profit or loss</i>				
Payables derivative instruments	29,305	-	-	29,305
<b>Total</b>	<b>55,740</b>	<b>-</b>	<b>-</b>	<b>55,740</b>

## 41(e) Reconciliation of Financial Assets categorised as Level 3

	Consolidated		University	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Level 3 Financial Assets</b>				
Opening balance	114,150	101,623	126,771	115,899
Total gains or losses				
Through profit or loss	4,666	(6,000)	4,666	(6,000)
Through Statement of Comprehensive Income	10,768	12,665	13,322	12,665
Purchases	16,976	34,942	16,976	33,287
Sales	(48,929)	(30,864)	(48,929)	(30,864)
Transfers in/out of Level 3	-	1,784	-	1,784
Closing balance	97,631	114,150	112,806	126,771
Gain (loss) for assets held 31 December	15,434	6,665	17,988	6,665

## NOTES continued

## 41. FINANCIAL INSTRUMENTS continued

41(f) Credit Risk

Credit risk is defined as "the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation."

Loans and Receivables balances are monitored on an ongoing basis with the result that the University's exposure to bad debts is not significant. The ageing for Loans and Receivables is identified in Note 19.

With respect to credit risk arising from the other financial assets of the University, which comprise cash and cash equivalents and available-for-sale financial investments, the University's maximum exposure to credit risk is equal to the carrying amount of these instruments.

The University is party to guarantees as identified in Note 35 'Contingent Liabilities'. The maximum exposure to credit risk, if the University was called upon to meet the obligations, is the amount disclosed in Note 35.

The University does not hold any collateral or other credit enhancement facilities against these assets or contingent liabilities.

There are no significant financial assets that have had renegotiated terms that would otherwise, without that renegotiation, have been past due or impaired.

41(g) Liquidity Risk

The following tables illustrate the maturities for financial liabilities  
Consolidated

<u>2014</u>	On Demand \$'000	Within 1 Year \$'000	1-5 Years \$'000	Greater than 5 Years \$'000	Total \$'000
Suppliers and payables	1,516	84,871	3,616	-	90,003
Loans payable	-	28,726	117,427	355,220	501,373
Total	1,516	113,597	121,043	355,220	591,377

<u>2013</u>	On Demand \$'000	Within 1 Year \$'000	1-5 Years \$'000	Greater than 5 Years \$'000	Total \$'000
Suppliers and payables	920	89,021	-	-	89,941
Loans payable	-	27,825	138,228	370,709	536,762
Total	920	116,846	138,228	370,709	626,703

Liquidity risk is defined as the risk that the Consolidated Entity could not be able to settle or meet its obligations that are settled by delivering cash or another financial asset, on time or at a reasonable price. The University adopts an active cash management strategy.

The University's investment portfolio allocation profile is determined by the Investment Advisory Committee and is structured to ensure sufficient funds are held in investments that can be converted to cash to meet its obligations as they fall due. Equities, other Listed Securities, Cash and Short-term debt securities constitute the significant component of the Entity's financial instruments. The liquidity risk of Unlisted Securities is managed through holding a diversified portfolio of assets with known investment horizons, different expected exit dates, and ensuring the total exposure of this class is maintained at a level whereby forced sales will not be required.

The University Investment Office is responsible for liquidity funding as well as settlement management.

NOTES continued

41. FINANCIAL INSTRUMENTS continued

41(h) Market Risk

Market risk is defined as "the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices" and includes interest rate risk, foreign currency risk and "other price risks." Other price risks are further defined as "the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market."

41(h)(i) Foreign Exchange Risk

The University derives its revenue streams principally in Australian dollars. Payments to overseas denominated currency sources for the supply of goods and services provided to the University is considered immaterial and as such foreign exchange risk in these transactions is considered insignificant.

The University holds an overseas based portfolio that is invested in most major markets and as such has exposure to the major currencies. The mix and weighting of currency holdings approximates those utilized in the Trade Weighted Index/AUD calculation and as such the Trade Weighted Index is considered an appropriate measurement for Currency Risk. The University monitors the value of the Australian dollar relative to other major currencies and when the value is considered to be out of alignment with fundamental value common risk management approaches, including forward currency contracts are adopted.

The impact of a weakening/(strengthening) of the AUD by 11.5% with all other variables held constant, profit for the year would have been \$31,063,000 higher/(lower) (2013: \$30,669,000), as a result of foreign gains/(losses) on translation of foreign currency bank account balances. Equity would have been \$31,063,000 higher/(lower) (2013: \$30,669,000), had the AUD weakened/(strengthened) by 11.5% against the Trade Weighted Index, arising from the Available-for-sale investments.

The following table, 41(h)(iv), demonstrates the sensitivity to a reasonably possible change in the AUD/Trade Weighted Index with all other variables held constant, on the Entity's Profit or Loss and the Entity's Equity.

NOTES continued

41. FINANCIAL INSTRUMENTS continued

**41(h)(ii) Interest Rate Risk**

Interest rate risk is the risk that the realisable value of a financial instrument will fluctuate due to the changes in market interest rates. The entity's exposure to the risk of changes in market interest relates primarily to long-term investments or debts with floating interest rates. The University's outstanding Indexed Annuity Bonds is linked to Consumer Price Index movements.

The University's interest rate risk arises from the investment in cash, fixed and floating interest and short term money market securities. The portfolio consists of a combination of fixed coupon interest payments with repayment of principal on maturity, discounted securities with principal repaid upon maturity and floating rate notes. The portfolio is fully invested in AUD denominated securities. All counterparties are rated as investment grade.

The Consolidated Entity has interest rate swaps in place for 100% of its interest bearing debt facility. The University's and BRU Holdings Pty Ltd's swaps have effectively fixed the interest rate payable on the debt facility at 7.33% and 7.22% per annum respectively. SA2 Holdings Pty Ltd's swap has exchanged the nominal debt payments (principal and interest) for a fixed payment which increases with CPI, resulting in a debt profile which reflects an indexed annuity bond. Detail on these swaps are disclosed at Note 23 Other Financial Assets and Liabilities.

At 31 December 2014, if interest rates decreased/(increased) by 0.6%, with all other variables held constant, operating result and equity would have been \$2,658,000 higher/(lower) (2013: \$6,093,000).

The following table, 41(h)(iv), demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant.

**41(h)(iii) Other Price Risk**

The University Loan payable 'Indexed Annuity Bond' is repayable by quarterly instalments that are indexed in alignment with the Australian Consumer Price Index (CPI). The real yield payable on the Bonds is 3.235% with an effective CPI base of 30 September 2004. The calculation of the outstanding liability is based on the historic movement in CPI from the base period to 30 September of the reporting year (3.35% per annum).

SA2 Holdings Pty Ltd's loan payable is managed by swapping the principal and floating interest rate to a CPI linked annuity. The CPI swap exchanges the nominal debt payments (principal and interest including the margin) for a fixed payment which increases with CPI, resulting in a debt profile which reflects an indexed annuity bond.

The following table, 41(h)(iv), demonstrates the sensitivity to a reasonably possible change in CPI annual rates, with all other variables held constant.

A majority of the University's equity investments are denominated in AUD, and are either publicly traded and included in the ASX300 index or not publicly traded.

The impact of an increase/(decrease) of the ASX300 Index on the University's publicly traded equity would be increase/(decrease) of \$39,240,000 (2013: \$38,220,000). The analysis is based on the assumption that the ASX300 Index increased/(decreased) by 10%, with all other variables held constant, and the University's equity portfolio moves according to the historical correlation with the index.

The impact of an increase/(decrease) of the market value of the University's non-publicly traded equity would be increase/(decrease) of \$9,763,000 (2013: \$11,415,000). The analysis is based on the assumption that the market value of the non-publicly traded equity increased/(decreased) by 10%, with all other variables held constant.

The University also has a number of equity investments denominated in foreign currencies in overseas markets. If these markets were to increase/(decrease) by 10% the impact on the Economic Entity's equity would be increase/(decrease) of \$20,037,000 (2013: \$15,360,000).



## NOTES continued

## 4.1. FINANCIAL INSTRUMENTS continued

## 4.1b(iv) Summarised Sensitivity Analysis - Consolidated

The following table summarises the sensitivity of the Entity's financial assets and financial liabilities to interest rate risk, foreign exchange risk and other price risk.

	Carrying amount \$'000	Interest rate risk			Foreign exchange risk			Market risk			Australian CPI risk		
		-0.5%			+0.5%			-11.5%			+11.5%		
		Result \$'000	Equity \$'000	Equity \$'000	Result \$'000	Equity \$'000	Equity \$'000	Result \$'000	Equity \$'000	Equity \$'000	Result \$'000	Equity \$'000	Equity \$'000
<b>Financial assets</b>													
Australian cash deposits and short-term securities	145,613	(898)	(898)	898									
Overseas denominated cash deposits and short-term securities	10,123	(61)	(61)	61	1,164	1,164	(1,164)						
Domestic interest bearing securities	280,431	(1,883)	(1,883)	1,883									
Overseas interest bearing securities	2,644	(16)	(16)	16	304	304	(304)						
Domestic shares and listed securities	392,401												
Domestic unlisted investments	97,631				23,042	23,042	(23,042)			(39,240)			39,240
Overseas managed funds	200,367									(9,763)			9,763
Receivable derivative instruments	1,246				143	143	(143)			(20,037)			20,037
<b>Financial liabilities</b>													
Loans payable	289,805												
Payables derivative instruments	55,740				6,410	6,410	(6,410)				(239)	(239)	239
<b>Total increase/(decrease)</b>		(2,658)	(2,658)	2,658	31,053	31,053	(31,053)	-	(69,040)	(69,040)	(239)	(239)	239
<b>31 December 2013</b>													
<b>Financial assets</b>													
Australian cash deposits and short-term securities	149,035	(1,788)	(1,788)	1,788									
Overseas denominated cash deposits and short-term securities	6,715	(81)	(81)	81	1,054	1,054	(1,054)						
Domestic interest bearing securities	348,749	(4,185)	(4,185)	4,185									
Overseas interest bearing securities	3,250	(39)	(39)	39	512	512	(512)						
Domestic shares and listed securities	382,201												
Domestic unlisted investments	114,149				24,115	24,115	(24,115)			(38,220)			38,220
Overseas managed funds	153,601									(11,415)			11,415
<b>Financial liabilities</b>													
Loans payable	292,147												
Payables derivative instruments	31,769				4,988	4,988	(4,988)				(233)	(233)	233
<b>Total increase/(decrease)</b>		(6,093)	(6,093)	6,093	30,669	30,669	(30,669)	-	(64,995)	(64,995)	(233)	(233)	233

## NOTES continued

## 41. FINANCIAL INSTRUMENTS continued

#### 41(h)(iv) Summarised Sensitivity Analysis - University

The following table summarises the sensitivity of the Entity's financial assets and financial liabilities to interest rate risk, foreign exchange risk, and other price risk.

	Carrying amount 2014 \$'000	Interest rate risk				Foreign exchange risk				Market risk				Australian CPI risk			
		-0.5%		+0.5%		-11.5%		+11.5%		-10.0%		+10.0%		-10.0%		+10.0%	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
<b>Financial assets</b>																	
Australian cash deposits and short-term securities	133,045	(798)	(798)	798	798												
Overseas denominated cash deposits																	
and short-term securities	10,123	(61)	(61)	61	61												
Domestic interest bearing securities	280,431	(1,683)	(1,683)	1,683	1,683	1,164	1,164	(1,164)	(1,164)								
Overseas interest bearing securities	2,644	(16)	(16)	16	16	304	304	(304)	(304)								
Domestic shares and listed securities	392,401																
Domestic unlisted investments	112,806																
Overseas managed funds	200,367					23,042	23,042	(23,042)	(23,042)	(39,240)	39,240	(11,281)	11,281	(20,037)	20,037		
Receivable derivative instruments	1,246					143	143	(143)	(143)								
<b>Financial liabilities</b>																	
Loans payable	184,192																
Payables derivative instruments																	
	13,520					1,555	1,555	(1,555)	(1,555)	(239)	239	(239)	239				
<b>Total increase/(decrease)</b>		(2,558)	(2,558)	2,558	2,558	26,208	26,208	(26,208)	(26,208)	-	(70,558)	70,558	(239)	239			

	Carrying amount \$'000	Interest rate risk		Foreign exchange risk			Market risk		Australian CPI risk	
		-1.2%	+1.2%	-15.7%	+15.7%	-10.0%	+10.0%	-10.0%	+10.0%	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000
<b>Financial assets</b>										
Australian cash deposits and short-term securities	135,124	(1,621)	1,621							
Overseas denominated cash deposits										
and short-term securities	6,715	(81)	81							
Domestic interest bearing securities	348,748	(4,185)	4,185	1,054	1,054					
Overseas interest bearing securities	3,260	(39)	39	512	512	(512)	(512)			
Domestic shares and listed securities	382,201									
Domestic unlisted investments	126,771									
Overseas managed funds	153,801			24,115	24,115	(24,115)	(24,115)			
<b>Financial liabilities</b>										
Loans payable	191,368									
Payables derivative instruments	8,734			1,371	1,371	(1,371)	(1,371)	(233)	(233)	233
<b>Total increase/(decrease)</b>		(5,926)	5,926	27,053	27,053	-	(66,257)	(233)	(233)	233

## THE AUSTRALIAN NATIONAL UNIVERSITY

### NOTES continued

#### 42. LAND

##### Australian Capital Territory

The major teaching and research facilities of the University are located on the Acton Campus site of 148 hectares and the Mt Stromlo site of 81 hectares. These sites are provided free of charge and held on lease in perpetuity. The use of this land is restricted to Australian National University activities. The University occupies other sites of 224 hectares within the Australian Capital Territory on varying leasehold terms and conditions. The value of land in the Australian Capital Territory has been assessed and brought to account.

##### New South Wales

The University owns 148 hectares of freehold land at Coonabarabran on which is located the Siding Spring Observatory and a further 3 hectares is held by the University at Coonabarabran under permissive occupancy. The University owns 349 hectares of freehold land at Kioloa. The value of land in New South Wales has been assessed and brought to account.

##### Northern Territory

The University occupies 26,500 hectares near Tennant Creek held on lease in perpetuity on which is located the Warramunga Seismic Station. The University owns 4 hectares of freehold land at Darwin on which is located field research headquarters. The value of land in the Northern Territory has been assessed and brought to account.

#### 43. SUPERANNUATION COMMITMENTS

##### 43.1 Commonwealth Superannuation Account

Since 1949, the University has maintained an account, on conditions approved by the Treasurer of the Commonwealth, to meet the emerging costs of the employer's liability under the Commonwealth Superannuation Scheme - a Defined Benefit Scheme. The Commonwealth Government has now closed this Scheme.

The Commonwealth Superannuation Account maintained by the University is not a superannuation fund as defined in AASB 119, the assets supporting the liability are maintained as a component of the overall University investment portfolio. As far as practical, the University has adopted the accounting treatment and disclosure requirements of AASB 119. The University is recognising actuarial gains and losses in the period in which they occur outside the profit and loss as permitted under the Standard, and as such are disclosed in the Statement of Comprehensive Income 2014 loss of \$126,383,708 (2013 gain \$82,460,044) resulting in a cumulative amount of actuarial losses recognised in equity of \$319,747,985.

Transfers are made to the account each fortnight in accordance with advice from ComSuper. The University's contribution rate in 2014 was 14 per cent of eligible employee superannuable salaries (equivalent to the contribution rate the University is required to make for all employees who are members of UniSuper, formerly known as the Superannuation Scheme for Australian Universities). Pensions are met on an emerging cost basis and paid to the Commonwealth Superannuation Administration.

The following have been recognised in the Income Statement in Employee expenses; Current Service Cost \$762,330 (2013 \$1,249,204) and Interest Cost \$25,857,000 (2013 \$22,881,744).

Section 25(2) of the Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 requires the market yield on Government bonds be used to discount post-employment benefit obligations, in compliance with AASB 119. One consequence of this requirement is that the value of the CSS liability could be expected to fluctuate significantly from year to year as government bond rates change.

The present value of the obligations of the Commonwealth Superannuation Account has increased by \$124,972,908 in 2014 as a result of applying the 10 year Commonwealth Government bond rate at the relevant interest rate (decreased from 4.3% to 2.8%) as required by the FRR.

The Australian Government Actuary (AGA) completed a formal review of the Account at 30 June 2013 and applied the traditional 6% interest rate when assessing obligations of the fund. The deficit at that date was \$59,057 million. The University has agreed to plan with the AGA to address the deficit over time. The next formal review is due on 30 June 2015.

The plan exposes the University to actuarial risks, in particular:

- Salary risk: any increase in the plan participants' salary will increase the plan's liability;
- Longevity risk: any increase in the plan participants' life expectancy will increase the plan's liability;
- Investment risk: if the actual return on plan assets is below the discount rate used in calculating the defined benefit plan liability, a plan deficit will arise; however, the composition of plan assets is balanced enough not to expose the University to significant concentrations of investment risk.
- Interest rate risk: a decrease in the bond interest rate will increase the plan liability.

The following principal actuarial assumptions have been adopted as at reporting date (values are expressed as weighted averages):

	2014	2013
Discount rate as at 31 December	2.80%	4.30%
Expected return on plan assets at 31 December	4.30%	4.30%
Future salary increases	4.00%	4.00%
Future pension increases	2.50%	2.50%

The University's Investment Office completed a review of the historical performance of its investment portfolio and the current and likely future investment environment, taking into account economic growth and inflation profiles in each of the investment sectors. The projection of 4.3% nominal annualised return is based on forecasted long term returns for assets held in the Long Term Investment Pool (LTIP).

##### Reconciliation of the Present Value of the Obligation

	Consolidated 2014 \$'000	2013 \$'000	University 2014 \$'000	2013 \$'000
Previous year closing balance	618,086	709,109	618,086	709,109
Current Service cost	761	1,249	761	1,249
Interest cost	25,857	22,882	25,857	22,882
Actuarial (gains)/losses	126,384	(82,460)	126,384	(82,460)
Benefit payments	(34,282)	(32,694)	(34,282)	(32,694)
Current year closing balance	736,806	618,086	736,806	618,086

## THE AUSTRALIAN NATIONAL UNIVERSITY

### NOTES continued

#### 43. SUPERANNUATION COMMITMENTS continued

##### 43.1 Commonwealth Superannuation Account continued

###### Reconciliation of the Fair Value of Plan Assets

Opening fair value of plan assets	509,793	452,325	509,793	452,325
Expected return on plan assets	21,411	14,499	21,411	14,499
Contributions	622	869	622	869
Transfers	10,000	5,898	10,000	5,898
Benefits paid	(34,282)	(32,694)	(34,282)	(32,694)
Actuarial gain/(loss)	18,501	68,896	18,501	68,896
Current year closing balance	526,045	509,793	526,045	509,793

###### Reconciliation of the present value of the obligation and the fair value of the plan assets to the assets and liabilities recognised in the Balance Sheet

Present value of funded obligation	736,806	618,086	736,806	618,086
Fair value of plan assets	526,045	509,793	526,045	509,793
Net liability in Balance Sheet	210,761	108,293	210,761	108,293
Amounts in Balance Sheet				
Liabilities	736,806	618,086	736,806	618,086
Assets	526,045	509,793	526,045	509,793
Net liability in Balance Sheet	210,761	108,293	210,761	108,293

##### 43.2 Superannuation Scheme for Australian Universities

New continuing staff members employed by the University since 1 April 1983 have been required to join the Superannuation Scheme for Australian Universities (SSAU) until 30 September 2000. From 1 October 2000, SSAU and the Tertiary Education Superannuation Scheme merged to become a single scheme, UniSuper. This merged scheme continues to have a defined benefits component which is managed independently of the University. The University contributes to the Scheme at the rate equivalent to 14 per cent of members' salaries. The University's contributions in 2014 were \$53,811,076 (2013 \$52,015,781).

Subsequent to changes enacted to the UniSuper Trust Deed by the Trustees during 2007 the previously described UniSuper Defined Benefit Plan (DBP) is now compliant with the requirements of AASB 119 applicable to a Defined Contribution Fund (DCF). Although the DCF is a defined contribution fund under AASB 119, it does remain a defined benefit fund for other purposes and continues to require actuarial oversight.

##### 43.3 Public Sector Superannuation Scheme

The University has a small number of employees who are members of the Public Sector Superannuation Scheme to which the University contributes at the rate of 11.9 per cent of members' salaries. During 2014, the University's contributions amounted to \$240,480 (2013 \$235,999). This scheme is closed to new members of the University's staff.

##### 43.4 Employee Non Contributory Productivity Superannuation Schemes

The University's contributions for employees who are contributors to the Commonwealth Superannuation and Public Sector Superannuation Schemes are paid to the Commonwealth Superannuation Administration. The University contributes to the Schemes between 2 to 3 per cent of members' salaries. During 2014, the University's contributions were \$105,368 (2013 \$143,284) and \$27,340 (2013 \$26,804) respectively.

The University paid contributions for eligible employees, other than employees who are contributors to the Commonwealth Superannuation and Public Sector Superannuation Schemes, to the Tertiary Education Superannuation Scheme until 30 September 2000, and since then to the newly established UniSuper. The new scheme continues to offer a cash accumulation component. The University contributes to the Scheme at a rate of 3 per cent of members' salaries for full-time University employees. The University's contributions in 2014 were \$11,374,693 (2013 \$10,924,773).

## THE AUSTRALIAN NATIONAL UNIVERSITY

### NOTES continued

#### 44. COOPERATIVE RESEARCH CENTRES

The University received Commonwealth Funding under the Cooperative Research Centres Program for the establishment of the following Cooperative Research Centres:

Automotive Australia 2020 CRC - a cooperative research centre with participants including thirteen vehicle and component manufacturers, twelve research institutions including the Australian National University, and five international collaborators with a total investment of approximately \$51 million over five years. The CRC was established in July 2012 with funding for five years. The key challenge of the Centre is to tackle complex problems that currently impede the uptake of low emission vehicles worldwide, with innovation specifically in the areas of vehicle electrification, gaseous fuels and clean manufacturing. The University's financial contribution is \$100,000 per annum.

Bushfire and Natural Hazards CRC - a cooperative research centre with the core participants including multiple State Fire and Emergency Services organisations, Bureau of Meteorology, State Government departments, seventeen Universities and research institutes including The Australian National University and the Red Cross. Total investment for the Centre is \$70.8 million. The University's contribution is in-kind on a project basis, with the total contribution being identified at the Centre end date. The research agenda will focus on the following broad areas of work: (i) Economics, Policy and Decision Making; (ii) Resilient People, Infrastructure, Institutions and Landscapes; and (iii) Bushfire and Natural Hazard risks. On 1 July 2013, the Bushfire and Natural Hazards CRC was established for a period of 8 years.

Space Environment Management CRC - a cooperative research centre with the core participants including the Australian National University, EOS Space Systems Pty Ltd, RMIT University and three international collaborations with a total investment of approximately \$57 million over five years. The University's total contribution will be \$5.795 million over five years. The research agenda will focus on the following broad areas of work: (i) tracking, characterising and identifying objects in orbit; (ii) orbit determination and predicting behaviours of space objects; (iii) space asset management; and (iv) preservation of the space environment. The Centre was established on 1 July 2014 for a period of five years.

Young People, Technology and Wellbeing (YAW) - a cooperative research centre with seventy partner organisations across the not-for-profit, academic, government and corporate sectors including the Australian National University. The CRC was established in July 2011 for an initial period of five years. The Australian National University's cash contribution is \$250,000 and in-kind contribution is \$6,343,000 over the life of the project. The purpose of the CRC is to explore the role of technology in young people's lives and how technology can be used to improve the mental health and wellbeing of young people aged 12 to 25.

Energy Pipelines - a cooperative research centre with the core participants being APIA Research and Standards Committee (representing 49 members across the spectrum of suppliers, constructors and operators of energy pipelines) and four research institutions including the Australian National University. The CRC was established in 2010 for a period of seven years. The Australian National University's in-kind contribution is \$1,740,000 over the life of the project. The CRC is to address key challenges facing the Australian pipeline industry by creating new technologies to safely extend the life of the existing pipeline network and facilitate construction of new networks for transmission of gas and emerging energy cycle fluids.

Costs for all Cooperative Research Centres are expensed as incurred except where future benefits are expected beyond reasonable doubt to exceed those costs. In 2014 all costs were expensed.

#### 45. SEGMENT INFORMATION

The University operates predominantly in the Australian Capital Territory for the purpose of teaching and research.

#### 46. ECONOMIC DEPENDENCY

The University is to a significant extent dependant on monies received pursuant to the Higher Education Funding Act 1988, the Higher Education Support Act 2003 and the Australian Research Council Act 2001 to fund its operations. In 2014, funding from these Acts (\$438,333,000) represented 43.99 per cent (2013: \$436,769,000; 44.68 per cent) of the total operating revenues.

#### 47. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

No matter or circumstance has arisen since 31 December 2014 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

#### 48. SPECIAL ACCOUNTS

The University processes Comcare receipts and payments through a distinct location and account code combination in the ledger. The monies are not available for other purposes of the University.

	University	
	2014	2013
	\$'000	\$'000
Balance carried forward from previous year	-	-
Receipts during the year	1,132	1,151
Available for payments	1,132	1,151
Less payments made	1,132	1,151
Balance carried forward to next year	-	-

## THE AUSTRALIAN NATIONAL UNIVERSITY

### NOTES continued

#### 49. INTERESTS IN JOINT OPERATIONS

Name of entity	Principal activity	Ownership interest		Carrying amount	
		2014	2013	2014 \$'000	2013 \$'000
Arafura Timor Research Facility	Support the conduct of world-class research into marine and coastal ecosystems of the Arafura Timor region.	-	50%	-	3,409

The University and the Australian Institute of Marine Sciences (AIMS) agreed to terminate the Joint Operation on July 1, 2014 on the following basis: (a) the ATRF 1 Building at a book value of \$7,082,331 was gifted to AIMS; and (b) the University retained ownership of the land and has provided access and usage to AIMS under a licence agreement for a twenty-year term at a commencement annual fee of \$20,500.

#### 50. SUBSIDIARIES

Name of Entity	Principal Activity	Place of incorporation and operation	Ownership interest held by the University	
			2014	2013
ANU Enterprise Pty Limited (ANUE) was incorporated in 1979 as a company limited by shares*	Activities include the undertaking of research and experimental work and the promotion and exploitation of techniques and processes derived or developed from research and experimental work.	Australia	100%	100%
ANU (UK) Foundation was incorporated in 2007 as a private limited company limited by guarantee	Principal activity is to facilitate the advancement of education through the establishment of a registered charity.	England & Wales	100%	100%
ANU Section 68 Pty Limited was incorporated in 2008 as a company limited by shares**	Principal activity is participating in the building development opportunity Section 68 City West, Canberra.	Australia	NIL	100%
BRU Holdings Pty Limited was incorporated in 2005 as a company limited by shares	Principal activity is participating in the construction and operation of a student accommodation facility on Section 30 Block 4 of the City West Precinct.	Australia	100%	100%
SA2 Holdings Pty Limited was incorporated in 2007 as a company limited by shares	Principal activity is participating in the construction and operation of a student accommodation facility on part of Section 21 Block 4 of the City West Precinct.	Australia	100%	100%

\* ANU Enterprise Pty Limited is the 100% owner of Australian Scientific Instruments Pty Limited and The Social Research Centre which was acquired in 2014 (refer Note 39 for details of acquisition).

\*\* ANU Section 68 Pty Limited was liquidated in 2014 as the purpose for its establishment and ongoing operation was finalised. Return of final dividend distribution is included in Note 5.

##### 50.1 Composition of the Entity

Principal Activity	Place of incorporation and operation	Number of wholly-owned subsidiaries	
		2014	2013
Research & experimental works	Australia	1	1
Charity	England & Wales	1	1
Property development	Australia	0	1
Provision of student accommodation	Australia	2	2
		4	5

##### 50.2 Financial support

The University has provided ANU Enterprise Pty Limited a loan to assist in the acquisition of The Social Research Centre Pty Ltd. Details of the loan are: principal \$6,000,000; interest rate 6.00% per annum or at such other rate as may be agreed by the parties from time to time; term 7 years; and principal repayments of \$250,000 per quarter commencing 30 September 2015. Repayment of the loan is not subject to the financial performance of The Social Research Centre Pty Ltd.

The University has provided BRU Holdings Pty Limited a loan of \$8,600,000 to assist in funding of construction and initial start-up costs. The loan is to be re-paid on the termination of the site lease (2046) with interest charged at such rate as may be agreed from time to time.

The University has provided SA2 Holdings Pty Limited a loan of \$13,929,000 to assist in funding of construction and initial start-up costs. The loan is to be re-paid on the termination of the site lease (2048) with interest charged at such rate as may be agreed from time to time.

## NOTES continued

## 51. FAIR VALUE MEASUREMENT

## 51.1 Fair value measurements

The University measures and recognises the following assets and liabilities at fair value on a recurring basis:

Financial assets at fair value through profit or loss;  
 Derivative financial instruments;  
 Available-for-sale financial assets;  
 Land, buildings and infrastructure;  
 Plant and equipment (Artworks and Rare Library Materials only); and  
 Investment properties.

Fair value disclosures relating to financial assets and liabilities at fair value through profit or loss, derivative financial instruments and available-for-sale financial assets are provided in Financial Instruments Note 41.

Valuation methodology is identified in Note 1.

## 51.2 Fair value hierarchy

The University categorises assets and liabilities measured at fair value into a hierarchy based on the level of inputs used in measurement:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices within Level 1 that are observable for the asset or liability either directly or indirectly; and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## (i) Recognised fair value measurements

Fair value measurements recognised in the Balance Sheet are categorised into the following levels:

## Consolidated figures at 31 December 2014 and 31 December 2013

Consolidated	2014 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Recurring fair value measurements</b>				
<b>Non-financial assets</b>				
Land, buildings and infrastructure	1,489,995	-	15,100	1,474,895
Plant and equipment	50,717	-	50,717	-
Investment properties	134,831	-	30,000	104,831
Total Non-financial assets	1,675,543	-	95,817	1,579,726
<b>Consolidated</b>	<b>2013 \$'000</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>
<b>Recurring fair value measurements</b>				
<b>Non-financial assets</b>				
Land, buildings and infrastructure	1,541,831	-	18,600	1,523,681
Plant and equipment	49,405	-	49,405	-
Investment properties	127,149	-	19,200	107,949
Total Non-financial assets	1,718,385	-	87,205	1,631,630

## University only figures at 31 December 2014 and 31 December 2013

University Only	2014 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Recurring fair value measurements</b>				
<b>Non-financial assets</b>				
Land, buildings and infrastructure	1,478,295	-	15,100	1,463,195
Plant and equipment	50,717	-	50,717	-
Investment properties	30,000	-	30,000	-
Total Non-financial assets	1,559,012	-	95,817	1,463,195
<b>University Only</b>	<b>2013 \$'000</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>
<b>Recurring fair value measurements</b>				
<b>Non-financial assets</b>				
Land, buildings and infrastructure	1,529,831	-	18,600	1,511,231
Plant and equipment	49,405	-	49,405	-
Investment properties	19,200	-	19,200	-
Total Non-financial assets	1,598,436	-	87,205	1,511,231

## NOTES continued

## 51. FAIR VALUE MEASUREMENT continued

## (ii) Reconciliation of fair value items to balance sheet

## Consolidated figures at 31 December 2014 and 31 December 2013

Consolidated	Notes	2014 \$'000	Recognised at Cost \$'000	Recognised at Fair Value \$'000
<b>Recurring fair value measurements</b>				
<b>Non-financial assets</b>				
Land, buildings and infrastructure	22	1,709,723	219,728	1,489,995
Plant and equipment	22	178,578	127,861	50,717
Investment properties	24	134,831	-	134,831
Total Non-financial assets		2,023,132	347,589	1,675,543

Consolidated		2013 \$'000	Recognised at Cost \$'000	Recognised at Fair Value \$'000
<b>Recurring fair value measurements</b>				
<b>Non-financial assets</b>				
Land, buildings and infrastructure	22	1,733,610	191,779	1,541,831
Plant and equipment	22	185,094	135,689	49,405
Investment properties	24	127,149	-	127,149
Total Non-financial assets		2,045,853	327,468	1,718,385

## University only figures at 31 December 2014 and 31 December 2013

University Only	Notes	2014 \$'000	Recognised at Cost \$'000	Recognised at Fair Value \$'000
<b>Recurring fair value measurements</b>				
<b>Non-financial assets</b>				
Land, buildings and infrastructure	22	1,698,023	219,728	1,478,295
Plant and equipment	22	177,104	126,387	50,717
Investment properties	24	30,000	-	30,000
Total Non-financial assets		1,905,127	346,115	1,559,012

University Only		2013 \$'000	Recognised at Cost \$'000	Recognised at Fair Value \$'000
<b>Recurring fair value measurements</b>				
<b>Non-financial assets</b>				
Land, buildings and infrastructure	22	1,721,609	191,778	1,529,831
Plant and equipment	22	184,247	134,842	49,405
Investment properties	24	19,200	-	19,200
Total Non-financial assets		1,925,056	326,620	1,598,436

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year.

For transfers in and out of level 3 measurements see 51.3 below.

The University's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

## 51.3 Fair value measurements using significant unobservable inputs (level 3)

The following table is a reconciliation of the consolidated level 3 items for the period ended 31 December 2014:

Level 3 Fair Value Measurements 2014	Land, buildings and infrastructure \$'000	Plant & equipment \$'000	Investment properties \$'000	Total \$'000
Opening balance	1,523,230	-	107,949	1,631,179
Acquisitions	411	-	-	411
Total gains/(losses) on revaluation	(378)	-	(3,118)	(3,496)
Disposals	(9,563)	-	-	(9,563)
Accumulated depreciation movement	(38,805)	-	-	(38,805)
Closing balance	1,474,895	-	104,831	1,579,726



NOTES continued

51. FAIR VALUE MEASUREMENT continued

51.3 Fair value measurements using significant unobservable inputs (level 3) continued

*(i) Valuation inputs, processes and relationships to fair value for items categorised in Level 2 & Level 3*

Buildings and infrastructure

*Buildings and infrastructure (Level 3)*

The buildings and infrastructure of the University are considered specialised assets for which there is no active and liquid market and as such have been valued using the cost approach (depreciated replacement cost). This is based on the current construction costs per square metre to replace the asset.

Key unobservable inputs:

Replacement cost per square metre of a modern equivalent asset using published construction data such as Rawlinsons Australia Construction Handbook 2013 encompassing Civil Works and Building costs. AssetVal also has a database built up from research of building and site improvement costs. Actual costs of improvements identified during valuation exercises and also through research and contact with suppliers and builders have also been collated.

Interrelationship between key unobservable inputs and fair value measurement:

The estimated fair value increases (decreases) as the estimated replacement cost per square metre increases (decreases).

Land

*Residential Land (Level 2)*

The residential land of the University has been classified as level 2. The valuation of these parcels of land was based on the location, land area and town planning controls. Sales of similar land that occurred within a reasonable period of time to 31 December 2013 were compared to the subject lands. Properties that are essentially residential have an active market in each of the respective locations.

Key unobservable inputs:

Prices of comparable assets sold within a reasonable timeframe of 31 December 2013.

*Non-Residential Land (Level 3)*

The non-residential land of the University has been classified as level 3 due to its specialised nature. Very limited or no active liquid markets exist for these items. In valuing these parcels of land, reference was made to the location, land area and land use controls/town planning to ascertain the land use characteristics and development opportunities. Regard was given to a broad selection of property sales of land from which a level of comparison and/or relativity can be drawn, albeit directly comparable properties are scarce. In addition regard was given to levels of value applied to similar land used by other authorities (e.g. ACT government).

Key unobservable inputs:

Prices of comparable assets sold where available. Where prices of comparable asset sales were not available valuations of other similar specialised assets have been used.

Interrelationship between key unobservable inputs and fair value measurement:

The estimated fair value increases (decreases) as the value of comparable assets increases (decreases).

Investment property

*Student accommodation (Level 3)*

The student accommodation properties are considered specialised assets for which there is no active and liquid market. They have been valued using the cost approach. This is based on the actual construction cost for the buildings with cost escalation factors applied through to the date of the valuation.

Key unobservable inputs:

Cost escalation factor of 12.04% for Davey Lodge and 7.84% for Kinloch Lodge

Interrelationship between key unobservable inputs and fair value measurement:

The estimated fair value increases (decreases) as the cost escalation factor increases (decreases).

*Commercial property (Level 2)*

The commercial property has been valued using the market approach. The valuation model is based on a price per square metre for buildings derived from observable market data in active and transparent market.

Key observable inputs:

Prices per square metre.

Premium (discount) on the quality of the building and lease terms.

Plant and equipment

*Artworks (Level 2)*

The artwork collection has been valued using the market approach. The valuation model looks at specifically comparable sales or sales information including sales of works by artists with a similar standing.

Key observable inputs:

Prices of identical works sold in the market where multiple prints exist.

Prices of similar works or works by artists of a similar standing sold in the market where the items are one off pieces.

*Rare Library Materials (Level 2)*

The rare library collection has been valued using the market approach. The valuation models looks at Australian and international sales information.

Key observable inputs:

Prices of identical items sold in the market where multiple copies exist.

Prices of similar items sold in the market where the item is a one off.

## NOTES continued

## 52. ACQUISITION OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE

## 52.1 Education – CGS and Other Education Grants

Notes	Commonwealth Grants Scheme <sup>#1</sup>		Indigenous Support Program		Partnerships & Participation Programme <sup>#2</sup>		Disability Support Programme		Facilitation Funding	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Commonwealth for the Programmes)	68,330	68,069	582	661	747	810	84	110	-	4,480
Net accrual adjustments	-	-	-	-	-	-	-	-	-	-
Revenue for the Period	68,330	68,069	582	661	747	810	84	110	-	4,480
Surplus / (deficit) from the previous year	-	-	-	-	-	-	-	-	-	-
Total revenue including accrued revenue	68,330	68,069	582	661	747	810	84	110	-	4,480
Less expenses including accrued expenses	68,330	68,069	582	661	747	810	84	110	-	4,480
Surplus / (deficit) for reporting period	-	-	-	-	-	-	-	-	-	-

#1 Includes the basic CGS grant amount, CGS-Regional Loading and CGS-Enabling Loading.

#2 Includes Higher Education Equity Support Programme.

## 52.1 Education – CGS and Other Education Grants continued

Notes	National Institutes Funding		Diversity and Structural Adjustment Fund <sup>#3</sup>		Promotion of Excellence in Learning & Teaching		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Commonwealth for the Programmes)	189,718	187,951	-	-	210	255	259,651	262,336
Net accrual adjustments	-	-	-	-	-	-	-	-
Revenue for the Period	189,718	187,951	-	-	210	255	259,651	262,336
Surplus / (deficit) from the previous year	-	-	-	43	-	-	-	43
Total revenue including accrued revenue	189,718	187,951	-	43	210	255	259,651	262,379
Less expenses including accrued expenses	189,718	187,951	-	43	210	255	259,651	262,379
Surplus / (deficit) for reporting period	-	-	-	-	-	-	-	-

#3 Includes Collaboration and Structural Adjustment Program

NOTES continued

52. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE continued

52.2 Higher Education Loan Programs (excl OS-HELP)

Notes	HECS - HELP		FEE-HELP #4		SA-HELP		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Commonwealth for the Programmes)	44,225	41,579	27,246	22,621	1,059	1,123	72,530	65,323
Net accrual adjustments	-	-	-	-	-	-	-	-
Revenue for the Period	44,225	41,579	27,246	22,621	1,059	1,123	72,530	65,323
Surplus / (deficit) from the previous year	-	-	-	-	-	-	-	-
Total revenue including accrued revenue	44,225	41,579	27,246	22,621	1,059	1,123	72,530	65,323
Less expenses including accrued expenses	44,225	41,579	27,246	22,621	1,059	1,123	72,530	65,323
Surplus / (deficit) for reporting period	-	-	-	-	-	-	-	-

#4 Program is in respect of FEE-HELP for Higher Education only and excludes funds received in respect of VET FEE-HELP.

52.3 Scholarships

Notes	Australian Postgraduate Awards		International Postgraduate Research Scholarships		Commonwealth Education Costs Scholarships #5		Commonwealth Accommodation Scholarships #5	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Commonwealth for the Programmes)	14,720	13,907	1,213	1,186	(35)	(472)	35	(31)
Net accrual adjustments	-	-	-	-	-	-	-	-
Revenue for the Period	14,720	13,907	1,213	1,186	(35)	(472)	35	(31)
Surplus / (deficit) from the previous year	2,462	2,213	(851)	(793)	247	719	(63)	81
Total revenue including accrued revenue	17,182	16,120	362	393	212	247	(28)	50
Less expenses including accrued expenses	15,128	13,658	1,248	1,244	15	-	10	113
Surplus / (deficit) for reporting period	2,054	2,462	(886)	(851)	197	247	(38)	(63)

#5 Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships respectively.

NOTES continued

52. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE continued

52.3 Scholarships continued

Notes	Indigenous Staff Scholarships		Indigenous Access Scholarships		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Commonwealth for the Programmes)	-	-	19	(45)	15,952	14,545
Net accrual adjustments	-	-	-	-	-	-
Revenue for the Period	-	-	19	(45)	15,952	14,545
Surplus / (deficit) from the previous year	19	19	(41)	(26)	1,773	2,213
Total revenue including accrued revenue	19	19	(22)	(71)	17,725	16,758
Less expenses including accrued expenses	19	-	21	(30)	16,441	14,985
Surplus / (deficit) for reporting period	-	19	(43)	(41)	1,284	1,773

52.4 Education Research <sup>#</sup>

Notes	Joint Research Engagement Programme		JRE Engineering Cadetships		Research Training Scheme		Research Infrastructure Block Grants		Commercialisation Training Scheme	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Commonwealth for the Programmes)	19,944	19,697	-	168	36,304	35,795	14,729	13,551	-	(555)
Net accrual adjustments	-	-	-	-	-	-	-	-	-	-
Revenue for the Period	19,944	19,697	-	168	36,304	35,795	14,729	13,551	-	(555)
Surplus / (deficit) from the previous year	-	-	-	-	-	-	-	-	(6)	541
Total revenue including accrued revenue	19,944	19,697	-	168	36,304	35,795	14,729	13,551	(6)	(14)
Less expenses including accrued expenses	19,944	19,697	-	168	36,304	35,795	14,729	13,551	(6)	(8)
Surplus / (deficit) for reporting period	-	-	-	-	-	-	-	-	-	(6)

NOTES continued

52. ACQUITTAI OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE continued

52.4 Education Research continued <sup>#6</sup>

Notes	Education Investment Fund		Diversity and Structural Adjustment Fund		Sustainable Research Excellence		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Commonwealth for the Programmes)	-	4,268	-	-	12,001	11,397	82,978	84,321
Net accrual adjustments	-	-	-	-	-	-	-	-
Revenue for the Period	-	4,268	-	-	12,001	11,397	82,978	84,321
Surplus / (deficit) from the previous year	-	(1,523)	990	990	-	-	994	8
Total revenue including accrued revenue	-	2,745	990	990	12,001	11,397	83,962	84,329
Less expenses including accrued expenses	-	2,745	-	-	12,001	11,397	82,972	83,345
Surplus / (deficit) for reporting period	-	-	990	990	-	-	990	984

#6 The reported surpluses for Joint Research Engagement, JRE Engineering Cadetships, Research Training Scheme, Research Infrastructure Block Grants, Commercialisation Training Scheme, Education Investment Fund, Diversity and Structural Adjustment Fund and Sustainable Research Excellence are expected to be rolled over for future use by Education.

52. ACQUITTAI OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE continued

52.5 Australian Research Council Grants

(a) Discovery

Notes	Projects		Fellowships		Indigenous Research Development		Early Career Researcher Award		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Commonwealth for the Programmes)	30,938	32,719	24,230	23,388	650	498	8,799	7,162	64,617	63,767
Net accrual adjustments	-	-	-	-	-	-	-	-	-	-
Revenue for the Period	30,938	32,719	24,230	23,388	650	498	8,799	7,162	64,617	63,767
Surplus / (deficit) from the previous year	22,252	21,146	19,867	17,921	215	90	3,437	1,173	45,771	40,330
Total revenue including accrued revenue	53,190	53,865	44,097	41,309	865	588	12,236	8,335	110,388	104,097
Less expenses including accrued expenses	30,403	31,613	22,295	21,442	543	373	6,676	4,898	59,917	58,226
Surplus / (deficit) for reporting period	22,787	22,252	21,802	19,867	322	215	5,560	3,437	50,471	45,771

NOTES continued

52. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE continued

52.5 Australian Research Council Grants continued

(b) Linkages

Notes	Infrastructure		International Researcher Exchange		Projects		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Commonwealth for the Programmes)	3,081	2,590	-	(88)	-	5,990	7,776	8,492
Net accrual adjustments	-	-	-	-	-	-	-	-
Revenue for the Period	3,081	2,590	-	(88)	-	5,990	7,776	8,492
Surplus / (deficit) from the previous year	407	1,917	-	90	4,695	4,184	4,926	6,191
Total revenue including accrued revenue	3,488	4,507	-	2	9,213	10,174	12,701	14,683
Less expenses including accrued expenses	2,924	4,100	-	2	5,201	5,655	8,125	9,757
Surplus / (deficit) for reporting period	564	407	-	-	4,012	4,519	4,576	4,926

(c) Networks and Centres

Notes	Centres		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Commonwealth for the Programmes)	7,359	3,308	7,359	3,308
Net accrual adjustments	-	-	-	-
Revenue for the Period	7,359	3,308	7,359	3,308
Surplus / (deficit) from the previous year	1,212	937	1,212	937
Total revenue including accrued revenue	8,571	4,245	8,571	4,245
Less expenses including accrued expenses	5,543	3,033	5,543	3,033
Surplus / (deficit) for reporting period	3,028	1,212	3,028	1,212

NOTES continued

52. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE continued

52.6 OS-HELP

	2014 \$'000	2013 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Commonwealth for the Programmes)	620	669
Less expenses including accrued expenses	1,488	588
Net accrual adjustments	(627)	-
	(241)	81
Surplus / (deficit) from the previous year	235	154
Surplus / (deficit) for reporting period	(6)	235

\* OS-Help receipts from the Australian Government are not included in the Income Statement.

52.7 Student Services and Amenities Fee

	2014 \$'000	2013 \$'000
Unspent/(overspent) revenue from previous period	1,553	774
SA-HELP Revenue Earned	1,059	1,123
Student Services Fees direct from Students	2,979	3,203
Total revenue expendable in period	5,591	5,100
Student Services expenses during period	3,898	3,547
Surplus / (deficit) for reporting period	1,693	1,553

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*This alphabetical index is provided in response to Attachment A (5), Requirements of Annual Reports, 24 June 2013.*

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# GLOSSARY

AASB	Australian Accounting Standards Board
AAS	Australian Academy of Science
ACGR	Australian Competitive Grants Register
ACT	Australian Capital Territory
AITC	Advanced Instrumentation and Technology Centre
ANU	The Australian National University
ANUSA	ANU Students' Association
APRU	Association of Pacific Rim Universities
APS	Australian Public Service
ARC	Australian Research Council
ATAR	Australian Tertiary Admission Rank
AusCen	Australian Centre for Applied Social Research Methods
CAP	ANU College of Asia and the Pacific
CBE	ANU College of Business and Economics
CCE	Centre for Continuing Education
CEQ	Course Experience Questionnaire
CRIS	Collaborative Research Infrastructure Scheme
CSIRO	Commonwealth Scientific and Industrial Research Organisation
Cth	Commonwealth
EFTSL	Equivalent Full-time Student Load
EIF	Education Investment Fund
EMP	Environmental Management Plan
EPBC	Environment Protection and Biodiversity Conservation Act 1999 Cwth
ERA	Excellence in Research Australia
ERMF	ANU Entity-wide Risk Management Framework
FTE	Full-time Equivalent
GMT	Giant Magellan Telescope
Go8	Group of Eight universities
GXT	International Alliance of Research Universities Global Cross-Disciplinary Tournament
HDR	Higher Degree by Research
HEA	United Kingdom Higher Education Academy
HECS	Higher Education Contribution Scheme
IARU	International Alliance of Research Universities
ICT	Information and Communications Technology
IPS	Information Publication Scheme (replaces Freedom of Information)

ITS	Information Technology Services
JCSMR	John Curtin School Medical Research
LIEF	Linkage Infrastructure, Equipment and Facilities
MOOCs	Massive Open Online Courses
MMF	Maintenance Management Framework
MoU	Memorandum of Understanding
NALO	North American Liaison Office
NASA	National Aeronautics and Space Administration
NCP	New Colombo Plan
NCRIS	National Collaborative Research Infrastructure Strategy
NHMRC	National Health and Medical Research Council
NSC	National Security College
OHS	Occupational Health and Safety
OLT	Office for Learning and Teaching
PARSA	ANU Postgraduate and Research Students' Association
QS	Quacquarelli Symonds
RegNet	Regulatory Institutions Network
SRC	Social Research Centre
UCAS	University of the Chinese Academy of Science
UICT	University's Information and Communications Technology Committee
UKM	National University of Malaysia
UNSW	University of New South Wales
WHS	Work Health and Safety

# FREEDOM OF INFORMATION

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# CONTACT

**Further information about ANU**

[www.anu.edu.au](http://www.anu.edu.au)

**Course and other academic information:**

Director, Division of Student Recruitment  
and Admissions

The Australian National University

Canberra ACT 0200

T +61 2 6125 5594

**General information:**

Director, Marketing Office

The Australian National University

Canberra ACT 0200

T +61 2 6125 2252

Published by:

The Australian National University

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